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FINANCIAL TIMES

No. 25,552 Thursday September 9 1971 ** 6p

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News Summary

GENERAL

Cahill barred from U.S.

New York immigration hearing yesterday ordered IRA leader Joseph Cahill to be excluded from the U.S. and sent back to Ireland.

The lawyer for Cahill, who has been in detention since arriving in the U.S. on September 1, said an appeal would be lodged.

There was no immediate indication of when Cahill would be flown back.

Meanwhile, in Ulster, troops using CS gas and rubber bullets last night managed to disperse stone-throwing rioters in Londonderry's Bogside. The rioting broke out after about 1,000 people had left a city centre rally addressed by Bernadette Devlin. In Belfast, a man was injured when a bomb was thrown from a car at a freight yard.

MPs fined

Earlier, Ulster Opposition MPs John Hume and Ivan Cooper had each been fined £20 by Londonderry magistrates on charges arising from a sit-down protest in the Bogside last month. The MPs were convicted, with three other men, of failing to comply with an order to disperse.

Pakistan to try U.K. relief team

Four members of the London-based "Operation Omega" relief team, detained as they crossed into East Pakistan at the weekend, are to be tried by the Pakistan Army for entering the country illegally, said an Omega spokesman. He said another team would cross the border to-morrow.

Sewell: van sought

Police hunting murder suspect Frederick Sewell were looking for a Mini-van stolen from Whitchurch, Herefordshire, where earlier a man resembling Sewell had abandoned a Jaguar—stolen from Reading—after a 100 m.p.h. chase by police. One report that the van had been found proved to be false.

'Get cholera jab'

Association of British Travel Agents is to advise everyone travelling to Spain's provinces of Valencia and Barcelona to be vaccinated against cholera. Fourteen cases have been confirmed there recently.

V-sign film lost

British Show Jumping Association stewards postponed their verdict on Harvey Smith's V-sign until a can of BBC film showing the incident at last month's British Jumping Derby—and which has gone astray in the post—turns up. Smith says the gesture was a victory sign. Hickstead directors called it disgusting.

Cricket tour off

The Australian Cricket Board of Control decided "unanimously" to cancel next month's tour by South Africans, chairman Sir Donald Bradman declared in a statement which also criticised South Africa and its apartheid policy. Page 8

Briefly . . .

Which? magazine, presenting a brand-by-brand table of cigarette tar and nicotine content, called for stronger health warnings to be printed on packets.

Five prisoners at Albany jail, Isle of Wight, are to be charged with assaulting prison officers following outbreaks of violence.

Mr. Enoch Powell, claiming the Home Office "propaganda machine" was presenting a false picture of falling immigration, claimed in fact it was 17 per cent. higher in the Tories' first year than Labour's last. Page 24

Italian officials expressed fears that the five Renaissance paintings stolen from a Venice basilica on Tuesday may be in danger of decomposing if not recovered quickly.

... died on the roads in July, a ... of 3 per cent. on the same month of 1970.

Hurricane Edith, now gaining strength in the Caribbean, is building up as "storm of the century," said the U.S. hurricane centre.

BUSINESS

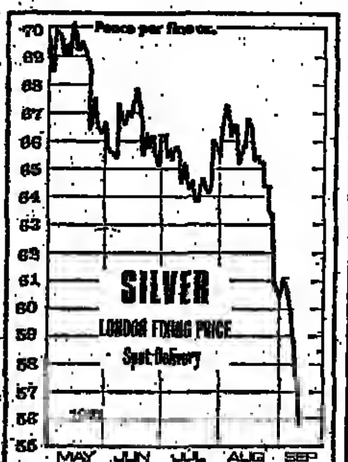
Shares resist profit-taking

● LEADING EQUITIES in London absorbed profit-taking well yesterday. Institutions were still interested in any large lines of stock. The index ended 1.2 off at 429.6, after 429.1. Bank shares were firmer.

● LONG-DATED GILTS also held up in face of profit-taking. Mediums were firm.

● GOLD fell to $41.32½ but ended a net 5c off at $41.60.

● SILVER DROPPED 2.8p further to 55.8p, but with New York steadier the London price



ended at 56.8p, close to the low of May, 1967. Page 4

● WALL STREET'S index ended 4.46 higher at 920.93.

● THE DOLLAR strengthened in late foreign exchange dealings and the £ closed lower at $2.4585 against an opening rate of $2.4595½ and the previous close of $2.4590. So far there is every sign that the combination of exchange controls and the Bank Rate cut has succeeded in keeping sterling's appreciation within the limits officially regarded as tolerable.

Swan Hunter men stay out

● SWAN HUNTER shipyard stewards defied union instructions to end the strike over a travel claim arising from workers' transfer to a nearby yard. Management and district union officials may meet to-day but the 850 strikers do not plan to meet until Monday. Page 19

● TAKEOVER CODE CHANGE announced to-day directs that if a bidding company buys more than 15 per cent. of the target company during the offer or up to one year before the bid is declared it must provide a cash alternative for accepting shareholders. Back Page; Lex

● TWO LINES BROS. non-executive directors, Mr. David Nicholson and Mr. David Donne, have resigned following deferment for 21 days of a move to put the parent company into voluntary liquidation. The Stock Exchange yesterday suspended dealings in Lines Bros. Ordinary and Preference shares and unsecured loan stocks. Back Page

● U.S. BUDGET DEFICIT for fiscal 1972 is likely to be above $27,000m.—a record—Treasury Secretary Mr. Connally has told the Congressional Ways and Means Committee. He hinted that the Administration's freeze might be extended to interest rates if they resume their rise. Page 5

COMPANIES

● TUBE INVESTMENTS first-half profit, affected by a further setback in industrial investment demand, has fallen to £10.67m. (£12.63m.), though net attributable profit is £5.18m (£5.17m.). Interim is again 9p (same). Page 21; Lex

● £3M. RIGHTS ISSUE is being made by Chubb and Son—3.07m. 20p shares in the proportion of one for 11 at 100p. Page 20

Courtaulds among 18 refusals

176 big groups sign CBI price pledge

BY HAROLD BOLTER, INDUSTRIAL CORRESPONDENT

A TOTAL of 176 of the 201 leading companies in the U.K. has signed the Confederation of British Industry's undertaking on price restraint, and eight replies are still awaited. But 18 concerns, including such important groups as Courtaulds, Reyrolle-Parsons, Alfred Herbert, and De La Rue have declined to make the commitment.

The CBI regards the response to its initiative as "massively favourable." Apart from the 176 large groups another 630 smaller companies have volunteered to follow the guideline laid down by the Confederation, although not asked for a specific written promise to do so.

Nevertheless, most interest will inevitably centre on the larger groups which have refused to sign rather than those prepared to promise not to increase prices by more than 5 per cent. before the end of next July except in special circumstances.

Not named

Sir John Partridge, the CBI's president, emphasised yesterday that most of the companies which felt unable to give the undertaking had indicated that they would try to comply with the spirit of the initiative.

The CBI would not name the 18, but it is clear from statements made by some of them yesterday that they are mainly companies facing a difficult financial situation or only just beginning to recover.

De La Rue, for instance, which has Sir Arthur Norman, the immediate past president of the CBI as its chairman, admitted frankly that it had decided after careful study that it could not sign the undertaking, because its margins were still not satisfactory.

Although the group considered making the commitment with qualifications, it decided that "it was better to be completely honest and admit that, although we do not expect our prices to increase by more than 5 per cent. overall in the coming 12 months there were some areas where this might happen."

De La Rue has told the CBI that it has a great deal of sympathy with its initiative and will try to support it as far as possible.

Reyrolle-Parsons, another group which has declined to sign, was clearly placed in a difficult position by the fact that GEC, its main competitor, is not a member of the CBI and was therefore not asked to make the commitment.

Alfred Herbert, the largest machine tool group in the U.K., is one of several machine-tool manufacturers which have decided not to sign the CBI pledge.

The group pointed out that the CBI document recognised that "all of its clauses cannot have application in the cases of capital goods or operation of a 'one-off' kind, or goods for which the cycle of manufacture and delivery greatly exceed the currency of the undertaking."

Although Alfred Herbert "did not feel it appropriate to sign," Sir Richard Young, the group's chairman, has written to the Confederation undertaking to follow the spirit of its policy.

The lack of response from the major concerns in the machine tool industry is not surprising, with new orders running 42 per cent. below last year's level and profitability generally low.

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Machine tool orders Back Page

Courtaulds' decision not to sign was predictable. Lord Kearton, the group's chairman, said in his speech to shareholders at the annual meeting in July that he could think of no other company which had had to cope with constant selling prices for more than two years. "Two years of stable prices in inflationary conditions is severe medicine for any company."

In 1969-70 price increases accounted for only £600,000 of Courtaulds' £384m. sales in the U.K., and in 1970-71 the group's prices overall were unchanged.

In addition to the 800 private sector concerns which have signed the pledge a similar undertaking has been given by the nationalised industries.

Several non-members of the CBI employing more than 5,000 workers—the figure on which the Confederation based its appeal to 201 leading members—have also said that they are prepared to exercise restraint.

In the motor industry, for instance, Automotive Products yesterday stated that it accepted the spirit of the CBI initiative along with all the major car manufacturers and most component producers which are members of the CBI.

And Mr. Garry Weston, chairman of Associated British Foods, said: "Although the group is not a member of the CBI and would not, therefore, sign the undertaking, it has told the CBI that it supports the initiative and will abide by its spirit."

The CBI pointed out that more than 50 per cent. of total expenditure on items within the Retail Price Index is on goods and services provided by private manufacturing industry and the public sector industry.

"Given the high level of acceptance of price restraint by manufacturing industry, private and public, and the effect of the recent cuts in purchase tax, there should be a progressive slowing down of the rate of increase in prices during the coming months," Sir John said.

The CBI's president expects the initiative to have a much more significant effect than the ½ per cent. reduction in price increases over the next year suggested recently by the National Institute of Economic and Social Research.

But the success of the whole endeavour is heavily dependent on two factors, Sir John emphasised. Prices restraint must be matched by reasonable pay settlements and increased economic activity.

TUC: Big 'no' to Market

BY JOHN ELLIOTT, LABOUR EDITOR BLACKPOOL, Sept. 8.

THE Trades Union Congress to-day overwhelmingly committed itself against Britain's entry into the Common Market on the Government's proposed terms, and called for a General Election before any final decision was made.

This verdict came at the end of a short debate which, although covering all points of view from those who oppose entry at any price to those who feel that the Government has produced an acceptable package, did not really rate as a full Congress discussion.

Major topics

It was one of two major topics—the other being Upper Clyde Shipbuilders—on to-day's agenda on which Congress seemed loath to spend too much time, partly no doubt because the outcome of both debates was inevitable.

The TUC will now consider planning a campaign against entry, which might be associated with the Labour Party's and the Transport Workers' own campaigns. But since the TUC is already committed to campaigns on pensions and unemployment running through to the end of the year, any action on Europe will have to be fitted in with these series of meetings and demonstrations.

The TUC delegates heard an enthusiastic account of the benefits that would be showered on the U.K. in Europe from Mr. Roy Grantham, of the Clerical Workers, who was yesterday elected to the TUC general council. Even some fervent pro-Marketeers thought that Mr. Grantham's enthusiasm—he regarded the English Channel as "no longer a moat but a highway to our friends"—ran away with him sometimes, whereas his seconder, Sir Fred Hayday, of the General and Municipal Workers, gave a more measured speech. He assured the delegates that, like the TUC, the unions of France and Italy had at first been opposed to the creation of the EEC but had discovered their fears to be unfounded.

However, Mr. Jack Jones, of the Transport Workers, told the delegates that the Government was handing over the country's affairs to "a centralised bureaucratic structure which was not susceptible to public control," and warned that the economic disadvantages could turn Britain into the "Northern Ireland of Europe." He wanted to know whether pro-Marketeers in the Labour Party wanted a General Election and, if there was one, whether they would prefer the U.K. in the EEC under a Tory government or outside with a Labour government.

Mr. Vic Feather, TUC general secretary, who is believed privately to be cautiously in favour of entry but was bound by the TUC general council's anti-Market line, also surprised some delegates with the strength of his remarks to-day.

There were 11 speakers in the Common Market debate, 10 of whom were either the proposers of the motions, the seconders or official supporters (named in the conference agenda because they had agreed to have their original resolutions submerged into the main anti-Market motion).

The 10—eight against and two for entry—were followed by Mr. Percy Coldrick, of the Transport Salaried Staffs, who was mandated by his union to speak against entry. Then, in answer to cries of "vote" from the delegates, Lord Cooper, the Congress chairman, called the three main speakers to reply to the debate even though two pro-Marketeers, Mr. Jack Peel, of the Dyers and Bleachers and Mr. A. C. Torode, of the Sign and Display Workers, wanted to speak. But two anti-Marketeers, Mr. Clive Jenkins, of the Technical and Managerial Staffs, and Mr. Bernard Dix, of the Public Employees, who were also on their feet, failed to catch Lord Cooper's aye.

Annoyance

Congress then adopted its anti-Market position by overwhelming shouts against entry compared with much weaker cries in favour. After the debate, some pro-Marketeers, like Mr. Peel, were annoyed that the debate had not been more balanced, and both factions regretted not calling for a card vote to pinpoint the position—which would probably not have raised much more than 1.5m. of the 10m. TUC votes in favour of entry.

The fact that there was no card vote and not even a show of hands also meant that the Local Government Officers did not have to declare their position following last week's High Court case when they were instructed not to vote for entry at the TUC.

Congress report Page 10

Rippon to have new duties

By Michael Simmons

THE responsibilities of Mr. Geoffrey Rippon, the Minister conducting Britain's negotiations with the European Communities, are to be considerably enlarged.

From next Monday, working with senior officials drawn from a number of Government Departments, he will also be supervising the domestic legislation that will have to be drawn up once Parliament has approved the bid for EEC membership.

It was announced from 10, Downing Street yesterday that Mr. Rippon, who will move into premises now occupied by the Cabinet Office in Whitehall, had been asked by the Prime Minister "to co-ordinate the preparatory work that will be required in the Government."

New credit policy to-morrow

BY MICHAEL BLANDEN

RADICAL changes in the business of the banks and finance houses are likely to be initiated to-morrow. The Bank of England is widely expected in the City to publish confirmation of its new policy on the control of credit and to give details of the working of the new system.

This system was outlined in the paper, Competition and Credit Control, published last May. It is aimed at creating a freely competitive climate in the banking business, with its major feature the abolition of the agreements among the clearing banks on lending and deposit rates and the replacement of the quantitative "ceiling" controls on lending with a more flexible reserve ratio technique, to be applied uniformly to all types of bank.

Since May, the Bank has been engaged in discussions with the various interested groups—including the banks, the hire purchase houses and the discount houses—on the detailed operation of the scheme.

One of the major issues left open by the original paper was the form of the proposed "parallel arrangement" to be applied to the instalment credit finance houses. It is now thought that the discussions have settled this issue, with some concessions being made to the finance houses' arguments.

The finance houses are believed to have argued that the reserve ratios proposed for the banks were inappropriate for their business. It was suggested yesterday that their reserve ratio may be set at 10 per cent., lower than the 12½ per cent. of relevant deposit liabilities which was suggested for the banking sector. It was also suggested that the finance houses might be given a rather longer period, of up to a year, to adjust to this requirement.

One result of the new policy, it has been argued, could be that some finance houses will, in the new competitive atmosphere, apply for full banking status. This could offer them advantages in the ability to develop their business to offset the higher reserve ratio.

Big issue

In particular, it is argued, United Dominions Trust and Mercantile Credit, two big houses which have only minority bank shareholders, might have this step in mind. Yesterday Sir Alexander Ross, chairman of UDT, said after the company's annual meeting that it was "definitely considering" going further into banking. "We will take full advantage of the result of these new rules," he added.

An outstanding immediate issue for the banking sector is likely to be the form taken by

Continued on Back Page

Ulster summit: Lynch may now accept offer

BY RICHARD EVANS, LOBBY CORRESPONDENT

MR. JACK LYNCH, the Irish Prime Minister, announced last night that he was now prepared to consider seriously the British Government's offer of tripartite talks between himself, Mr. Heath and Mr. Brian Faulkner, the Ulster Premier, over the Northern Ireland situation.

Mr. Lynch's decision to consider attending tripartite talks will be warmly welcomed in London. Last night Ministers were awaiting official confirmation from Dublin that Mr. Lynch

Mr. Jack Lynch

is willing to participate, in which case arrangements for a meeting will be put in hand immediately.

The indications in Dublin late last night were that Mr. Lynch will probably agree to join in the summit talks subject to discussions on the agenda and after consultation with the Catholic leaders in Northern Ireland.

His statement followed a day of confusion over whether Mr. Heath had in fact offered a tripartite meeting during the Chequers summit on Monday and Tuesday.

After Mr. Lynch had claimed that in his recollection the subject had been raised but no specific offer made, Downing Street checked the record and repeated that the invitation to tripartite talks had been issued.

During the day the Irish Embassy in London, after consulting officials and 10, Downing Street, reported to Dublin that the reference to tripartite talks had been intended as an offer, and the response came shortly afterwards from Mr. Lynch.

Wilson's plans

After the Chequers summit Mr. Lynch was said in London to have turned down the offer because it would have implied recognition by the Irish Republic of Northern Ireland's sovereign status, but the view now is that there was presumably a genuine misunderstanding on Mr. Lynch's part.

Meanwhile, the Cabinet will meet to-day to consider the Opposition's new demand for an immediate two-day Commons debate on Ulster.

After a meeting of the "Shadow" Cabinet yesterday, Mr. Wilson, the Opposition Leader, welcomed the initiative of Mr. Maudling, the Home Secretary, in calling together representatives of a wide range of opinion in Northern Ireland and appealed to Opposition leaders in Ulster who were refusing to participate to think again.

But he argued that it was essential if the consultations were to succeed for the Home Secretary to drop his precondition that all who were take part should discourage the policy of civil disobedience.

Mr. Wilson went on to outline in a speech at Welwyn a series of proposals which he suggested could be considered in the Maudling consultations, and which would involve much stricter control by Westminster over legislation in Northern Ireland.

The proposals included the setting-up of a Parliamentary commission of MPs from Westminster and Stormont to vet legislation; an All-Ireland Council representing the two Irish Parliaments which would act as a consultative body; introduction of proportional representation; and a ban on all firearms.

The duty

Mr. Wilson said he was putting forward his proposals as a constructive attempt to restore the balance in Northern Ireland by bringing a new and necessary dimension into the dangerous situation.

This was the assertion of the ultimate authority of the British Parliament at Westminster in matters such as security and provision of economic and social welfare and human rights, including the use of emergency legislation.

Mr. Heath, he argued, had the duty either to accept the proposals or to state in Parliament his reasons and his alternatives.

Despite the very mixed reception given to his initiative Mr. Maudling is refusing to accept that the boycott by the Social Democratic and Labour Party and other Ulster Opposition groups means the Ulster talks are doomed to early failure.

There remains the hope that a sufficient weight of moderate opinion is in favour of consultations to end the violence. In a statement last night the Home Secretary welcomed the decisions by the Northern Ireland Labour Party, the unions and the Alliance Party to take part. He hoped these decisions would make the Social Democrats reconsider their position.

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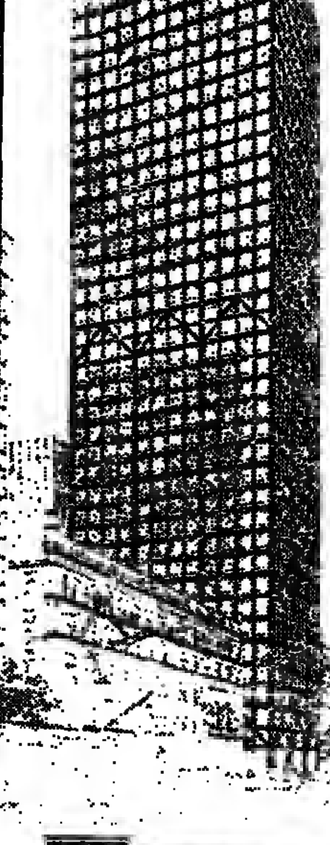
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ON OTHER PAGES

LAUNDRIES CHICAGO

To-day's issue contains four special pages (25-28) on Chicago, and two special pages (14 and 15) on Laundries.

THE £ ABROAD

—	Close Sept. 8	Close Previous
New York (Spot)	$2.4580-4590	$2.4565-4590
Do. (1 month)	0.50-0.60 prem	0.55-0.60 prem
Do. (3 months)	0.85-1.05 prem	0.93-0.97 prem
Do. (12 months)	0.10-0.30 prem	par-0.30 prem

CHIEF PRICE CHANGES

(Prices in pence unless otherwise indicated)

RISES

Associated Dairies	312	+ 20
Emerson Mavor	97	+ 12
[illegible]	383	+ 7
...y (J.)	93	+ 3
...keys	35	+ 6
...mmer (H.)	195	+ 20
...oods	167	+ 13
[illegible]	231	+ 11
...Star	438	+ 10
Freemans (London)	180	+ 7
General Steam	900	+ 225
Gillett Bros.	288	+ 40
Hill Samuel	145	+ 11
Hull Breweries	193	+ 20
Hutchison Internat'l	242	+ 16
International Paint	134	+ 8
Lake and Elliot	120	+ 11
Lloyds	589	+ 12
McKechnie Bros.	81	+ 6
Mercantile Credit	226	+ 11
Samuel (H.) "A"	162	+ 8
Skipper (C. and G.)	90	+ 12
Stenhouse Holdings	89	+ 5
Tilbury Contracting	170	+ 10
Utd. Biscuits	233	+ 8
Warnford Inv.	160	+ 10
Botswana RST	230	+ 20
Jo'burg Cons.	£13¾	+ ¼
Poseidon	£10	+ ½

FALLS

Binemel Bros.	80	— 7
Glaxo	428	— 8
Halwins	255	— 15
P. and O. Defd.	165	— 5½
Steetley	177	— 16
Tube Inv.	450	— 8
Consd. Murchison	275	— 10
Metals Exploration	188	— 19
New Broken Hill	420	— 10
Peko-Wallsend	880	— 15
Winkelhaak	153	— 5

U.K. DAILY STOCK INDICES

F.T.-ACTUARIES

	Sept. 8	Sept. 7	Yr. ago
Industrial Group	176.45	176.34	—
500 Share	190.63	190.44	136.32
Div. yield pc	3.47	3.47	4.75
P/E Ratio	18.47	18.49	13.94
All Share	187.32	186.72	130.05
Consols yield pc	8.79	8.75	9.46

FINANCIAL TIMES

	Sept. 8	Sept. 7	Yr. ago
Govt. Secs.	77.30	77.37	69.89
Fixed Interest	76.79	76.69	71.76
Industrial Ord.	429.60	430.80	338.80
Gold Mines	50.48	51.16	51.50
Ord. Div. Yield	3.57	3.55	4.95
Earnings Yield	5.58	5.55	6.79
P/E Ratio	17.93	18.02	14.72
Dealings Marked	12,920	13,866	7,504

Industrial Ord. (noon) 430.10.

For Latest Share Index 'phone (01)-246 8026

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Letters to the Editor

BRACKEN HOUSE, CANNON STREET, LONDON, EC4

Grain marketing problems • Managers and training

Sir,—Mr. Cherrington's article (September 3) on the difficulty of marketing grain within the structure of our existing agricultural *system is typical of an* unsophisticated farmer who reverts to type every year after his harvest has been gathered, and expects to sell his corn immediately at some astronomical price. It is un-typical of Mr. Cherrington who I have always regarded as a sophisticated farmer, and most unworthy of someone who, as a regular contributor to your columns, normally presents an unbiased view of agricultural topics.

Disfavour

I consider his article does a disfavour to the farming community who at present require more help than ever before. My particular points of issue are as follows:

1—In stating "It is largely a matter of luck that a farmer secures the average price" he pre-supposes that farmers, while being efficient producers, pay little or no regard to their marketing. It is absurd to believe that marketing should be a "Matter of Luck," for every primary producer must pay as much attention to securing the highest possible price for his goods as he does pay to the cost of *producing them.*

2—He talks of "ringing a merchant and asking for a bid, as most trading is done away from the market." Correct, but the merchant is only one of a number of outlets and as he so rightly says is very often in a position to blackmail the farmer into selling. After all, notwithstanding the fact that the merchant is usually a supplier of other goods to the farmer, and as such it is in his interest to help him, he still has to make a living from buying and selling corn and therefore must naturally make a price that suits himself and not necessarily the farmer. Therefore why should a farmer place himself in the hands of a merchant? However, the farmer has recourse to the Futures Markets, to *participation* in a co-operative, to direct selling to local compounders and millers, and to other local dealers and merchants, or a combination of all these.

3. He blames the system (how typical of a farmer) for its harshness on farmers who sold before the large price rise last year. The merchants first interest *was* himself and the *poor* farmers got left behind.

However, Mr. Cherrington is well aware that the dramatic price change was due to the state of North American and European crops and not Providence. A farmer having made an irrevocable forward contract with a merchant still has recourse to the Futures Market, and only needed to read Mr. Cherrington's own articles and your excellent commodities news items to have been able to take the appropriate action to safeguard his interests.

4. I cannot understand how Mr. Cherrington can honestly write that the "only guidance they (farmers) get is from the Home Grown Cereals Authority" when not 9 inches away, on the same page, under the heading "Grains" you publish (daily) 3½ column inches of prices relating to imported and domestic cereals. Whether or not his merchant will make him a good price either for prompt or forward delivery he can see a Futures quotation right up to May next year, which not only gives him a guide but an alternative sales medium.

5. Finally he reiterates that "orderly marketing" is a meaningless phrase thrust down the throats of farmers by all and sundry, when "It is impossible for thousands of individuals to co-ordinate their sales policies and when they don't know the extent of the crops and imports."

As far as I am aware, since June 4 there have been at least seven articles in the F.T., not to mention other national papers and farming periodicals, dealing exclusively with the EEC and U.K. *cereals situation* and laying out acreage and yield statistics. The HGCA weekly bulletin also covers the U.K. price situation in detail while their marketing notes cover the more general points.

It strikes me that anyone whose livelihood depends on selling what he produces and who does not bother to make himself aware of the factors which govern the price he receives, or use every medium at his disposal to maximise his returns, deserves to be laughed at by a merchant.

Laughter

Mr. Cherrington complains about the price the merchant makes now (£21.50 per ton) and the *fact* that *his request for £24* is met with laughter. I find it hard to believe that he was not aware that as early as the end of November and beginning of December last year barley for delivery ex-store this September was being quoted at between £28.00 and £28.50 (price to-day £23.50) and that the annual average for barley for the last eleven years has been approx. £21.36 while the monthly averages for the last 11 years have been within the range £20.64 and £22.50 (source Min. of Agric.). Even up to middle March this year barley was being quoted at between £27.00 and £28.50 per ton, ex-store, thus if he had assessed the situation correctly the laugh would be on him, as he would have sold or hedged most of his crops by now.

Mr. Cherrington has no right therefore to blame the system for his own shortcomings in marketing and I would suggest that you yourselves are doing a disservice to the farming community by publishing such comments, particularly in the Commodity sector of your newspaper which without doubt ranks among the best as a source of informed and unbiased commodity comments.

D. M. Anderson,
Commodity Analysis.
194-200, Bishopsgate,
EC2M 4PE.

[John Cherrington comments: Mr. Anderson gives the typical trader's view of the grain market. I was simply reporting what most British farmers feel. It is significant, though, that this is the only country in the world where the farmer has no minimum price for his grain. As to Futures trading, it is not within the scope of the average farmer, and in fact is not allowed in some countries such as Canada, for instance, for wheat.]

Chromium ore sources

Sir,—Recent episodes relating to the dumping of chromium ores would suggest the complete disregard of classical economic theory, namely the concept of comparative advantage, a disregard which will be enhanced by our entry into Europe.

The U.K., for example, has no supplies of the natural ores while the Soviet has large deposits: this arrangement connotes two complementary economies in which one has raw materials and the other finished products.

A corollary would suggest the development of a bilateral trading *system*, such a process encouraging the synthesis of an industrial base which would increase the difference between U.K. home and export prices and so make the U.K. more competitive in world trade. It is seemingly improbable that the other producer countries, India and Turkey, will offer attractive prices in view of their fragile economies.

In the Common Market, on the other hand, we *face a* non-complementary arrangement. Pechiney-Kuhlman, the French giant, in contrast to its British counterparts, both mines chromium ores through its subsidiary in Madagascar, *Compagnie Miniere de l'Andriamena* and manufactures chrome steels, etc., and this combination will therefore give the French company a cost advantage in exporting to us, products which we make ourselves.

E. G. Curphey.
72, Ham Road,
Worthing, Sussex.

Redundant bank managers

Sir,—I was interested to read the letter from Mr. Ormiston (*August 31*) on the subject of redundant bank managers; my experience as an ex-bank manager is that they will have a very difficult time obtaining suitable employment.

My experience in industry has shown beyond doubt that there is a great need for the banking approach and philosophy yet very few companies realise this need. Few personnel officers will recognise banking qualifications or experience. My theory is that in the subconscious mind of many there lurks the fear of the "gnomes" who, given the chance, might uncover all sorts of unpleasant things and remind companies that the main object is to make money—control of expenditure and getting paid are part of the process that many *companies* prefer to relegate to secondary positions. The result of this is that ex-bank managers are offered secondary positions where they can be of no danger to the Whiz kids who invite in the Receiver.

T. A. R. Harkness.
116, Upper Richmond Road,
London, SW15.

Missing share certificates

Sir,—In reply to Mr. McIntyre's letter (September 6) it would be unfortunate if your readers were impressed by his quotation of an extract from an obsolete edition of the Manual of The Chartered Institute of Secretaries as regards the specimen form and content of an indemnity to a company if supported inter alia by "a person of standing"—the edition of the manual from which he quotes was superseded by the Institute's new manual published in 1958. Indeed a new form of indemnity was designed by the Institute in 1965, intentionally *omitting reference to the support* "by a person of standing" and such form, which is now widely used, is recommended by the Institute to be acceptable to a company, if it is supported by a bank, insurance company or guarantee society.

The views which I have recently expressed through your columns on this subject are in harmony with and identical to those covered in the booklet "The New Transfer System" published by the Stock Exchange, London, in 1963, *following* the deliberations by and written report of a City committee comprising informed City interests, including The Chartered Institute of Secretaries. The Stock Transfer *Act* 1963 gave effect to the recommendations contained in the report of such City committee.

On the specific point of indemnities, the views of the committee were published in the booklet in which they recorded the need for "the protection of a continuing guarantor to an indemnity, that is, a bank or insurance company, except where the value of the stock or shares is trivial." More precisely to the point, that "indemnities in respect of certificates lost while in course of post to, or in the hands of agents may, at the registrar's discretion, be given by those agents instead of by their clients but the concurrence of a continuing guarantor should still be insisted upon."

While Mr. Penwill's letter (also September 6) is a more informed appraisal of the situation as he sees it, nevertheless he will now recall the City committee's views expressed herein and will concede that few, if any, articles of association of a company are worded in such a way as to indicate that bankers' guarantees of indemnities are imperative. A number of his suggested safeguards are currently practised by chartered secretaries and registrars, but equally he will accept that while some registers may reveal the details of the definitive numbers of certificates issued to individual shareholders, Section 110 of the Companies Act 1948 does not make it obligatory to do so.

R. R. Bedford, FCIS,
Chairman,
Registrars' Group,
The Chartered Institute of Secretaries.
16, Park Crescent, W1N 4AH.

High-speed efficiency

Sir,—My friend Patrick Moxey in his letter (September 7) gave an example of Gas Board inefficiency. My own experience is somewhat different. Recently, we had a boiler installed by a private contractor, the firing of which coincided with our conversion to natural gas. The heating engineer had the full benefit of the fitter's assistance. Moreover, a short time later, a Gas Board man came to adjust the boiler commenting that we had been using too much gas! I call that service.

To complete the story, I am still waiting for the replacement of a defective part on the boiler (as supplied) from a well known non-nationalised supplier.

Derek Eddowes.
4 Castlemaine Avenue,
Ewell, Surrey.

Production control

Sir,—I would like to support your distinguished correspondent's—Mr. Harrison, President of the Institution of Production Engineers—letter (September 6) as his reduction of 20 per cent. in work in progress only refers to the implementation of group technology.

A similar reduction is likely to result from the analysis preceding the implementation and will be spread across all aspects of production control. It is also highly likely that further considerable cost reductions will prove possible, through rationalisation of components — highlighted by the investigation.

I sympathise with the lack of comments on work *in* progress. It is a "nitty-gritty" subject, requiring vast attention to detail and little understood. It is also believed that no tight yardstick can be applied to *this* subject and it therefore tends to be ignored. Large stocks are tied up in WIP stores—by whatever name—which could be avoided if a total approach to the problem were taken, that is, treating everything WIP—from the goods inwards bay to despatch to the customer.

C. P. Morton.
142, Arkwrights, Harlow, Essex.

Attitudes to training

Sir,—Hawdon Hague (September 4) hits several nails on the head in his interesting article on managers' attitudes to training. I suggest the problem springs partly from our deeply ingrained reliance on specialists.

We are conditioned to relinquishing our responsibilities to specialists from our days at school; at university or technical college the departmental organisation is well established; in business heirarchies, encouraged by the ITBs, we now see training departments and hear talk of the "training function." It *may* be comforting in the short term to be able to delegate training responsibility to a training department, and then encourage it to justify itself financially; later it may find itself in the position of scapegoat and at the mercy of budget cutting.

Just as parents cannot shelve responsibility for their child's training in life, so managers should not shelve theirs for the training and development of their subordinates. Management is a general discipline, not a specialist function.

As a solution to some of the problems raised, managers who fail Mr. Hague's tests (or who secretly admit they would) can reassert themselves by taking the lead in running a few seminars for their own subordinates. *This may* have the effect of improving their performance and so justify their confidence. At very least it may make them more aware of training needs, and enable them to identify those situations where specialist training help is genuinely needed.

John Nye.
20, Court Road,
Tunbridge Wells,
Kent.

Housebuilder's guarantee

Sir,—Some time back the writer of a Letter to the Editor asked if the builders' guarantee under the NHBRC gave any tangible degree of quality.

My daughter has recently bought a bungalow on the south coast within 500 yards of the sea.

A brick wall has been provided round the garden without any capping course to the top of the wall. Having asked the foreman on the site when he was going to finish it off he replied it was *finished.*

If the weather and frost get in the top, the wall will start to crumble.

Capping courses to tops of brick walls have been found necessary for the past 100 years, how can this omission be considered a quality finish now?

C. E. Cranmer,
Chartered Engineer.
1, Longdon Wood,
Keston Park, Keston,
Kent.

Liaison centres

Sir,—In recent correspondence the opinion has been expressed that there is no suitable source of comprehensive advice and consultancy available to small firms in the United Kingdom. I must remedy an omission and remind readers of the work of Industrial Liaison Centres, over several years in locating appropriate advice and consultancy, chiefly for small firms. Seventy-fiv centres throughout the countr are based at Technologica Universities, like ours, and Poly technics or Technical Colleges and are grant-aided by th Department of Trade an Industry.

The centres are helping loca small firms, in town and countr to identify their problem management and technical, an are introducing sources of hel of all kinds from their universit or college, research association Government departments an research establishments, b dependent consultants, industri organisations and firms.

A centre's ability to hel quickly is aided by its situatio within a university or colleg having resources of staff an equipment. At Aston, we hav many members of staff in o technological and industri administration departments lor experienced in assisting firm and in addition we have o Small Business Centre esta lished in 1967.

R. A. Wheway,
Industrial Liaison Centre,
The University of Aston in Birmingham.
158, Corporation Street,
Birmingham B4 6TE.

Advice for small firms

Sir,—I refer to the letter Mr. D. J. Instance (September in which he supports Mr. E. Wood's contention that c sultancies cannot operate pro ably by advising only sm firms.

To my knowledge, there i number of small partnersh and one-man businesses in public practice of managem consulting who specialise giving advice to small fir They are surviving financi and have satisfied their clie Some of these are members the Institute of Managem Consultants and the BIM C sultancy Information Bureau information on many more.

It seems unfair to these sm consultancies to discourage fi from seeking the services t provide at an economic pric

It should also be noted th the work undertaken dur 1970 by the larger firms, m bers of the Management C sultants Association, 15 per c was for firms with under employees, and a furthe cent. for firms with be and 500 employees.

F. A. Mullineux,
Secretary,
Institute of Management Consultants.
23/24, Cromwell Place,

Events

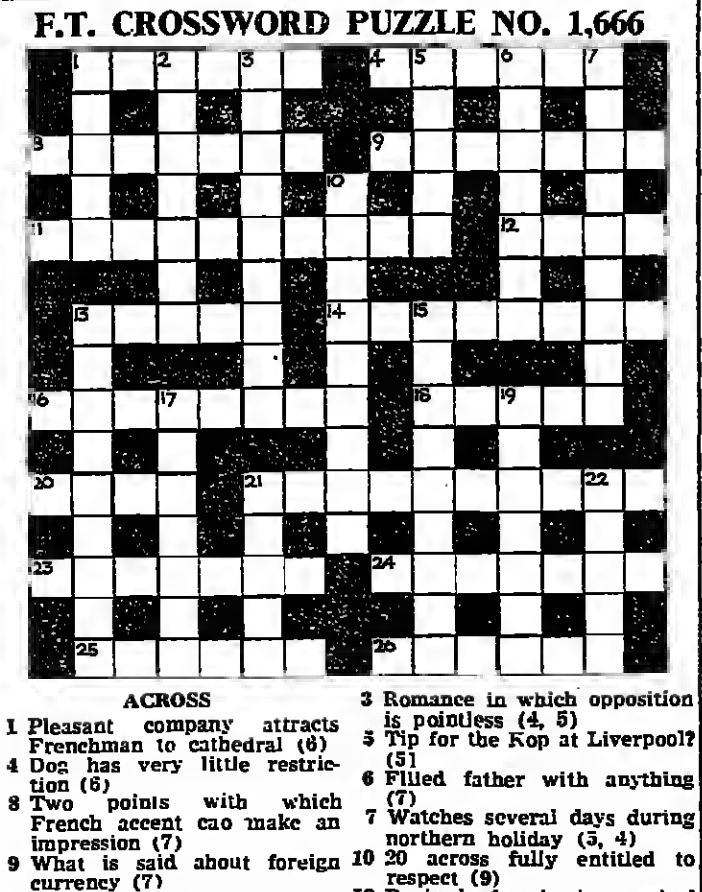
To-day

THE INSTITUTE OF CHARTERED ACCOUNTANTS IN ENGLAND AND WALES summer conference on "inflation—the accounting and social implications," at Churchill College, Cambridge (ends September 12).

COMPANY MEETINGS

ALLNATT LONDON PROPERTIES, Winchester House, E.C., 12. (Chairman, Mr. R. W. Biggens.)
ANDERTON-FORCO INDUSTRIES, Hyde Park Hotel, S.W., 12. (Chairman, Mr. N. R. Kitchen.)
BOARDMAN MARDEN, Manchester, 12. (Chairman, Mr. K. O. Boardman.)
BRICKHOUSE DUDLEY, Birmingham, 12. (Chairman, Mr. R. A. E. Godfrey.)
CATTLE'S (HOLDINGS), Hull, 2.45 (Chairman, Mr. J. R. Cattle.)
COLLETT DICKENSON PEARCE, Winchester House, E.C., 10.30. (Chairman, Mr. J. W. Pearce.)
DANKS OF NETHERTON, Dudley, 3. (Chairman, Mr. H. Fletcher.)
DWA PLANTATIONS, Winchester House, E.C., 11.30. (Chairman, Mr. S. R. Hogg.)
FRUIT AND PRODUCE EXCHANGE OF GREAT BRITAIN, Waldorf Hotel, W.C., 11. (Chairman, Mr. E. G. Howells.)
METAL PRODUCTS (WILLENHALL), Wolverhampton, 11. (Chairman, Mr. J. W. Whitehouse.)
MEYER (MONTAGUE L.), Brettenham House, W.C., 12. (Chairman, Mr. J. M. Meyer.)
MIDLANDS IDEAL HOMES, Nottingham, 12. (Chairman, Mr. F. W. Clews.)
NEWALL MACHINE TOOL, Peterborough, 12. (Chairman, Mr. D. S. Player.)
PREEDY (ALFRED), Dudley, 5.45. (Chairman, Mr. R. L. Preedy.)
ST. GEORGE'S LAUNDRY (WORCESTER), Worcester, 12. (Chairman, Mr. J. L. Armstrong.)
WELLMAN ENGINEERING CORPORATION, 23, Wilton Road, S.W., 12. (Chairman, Sir Peter G. Roberts.)

F.T. CROSSWORD PUZZLE NO. 1,666



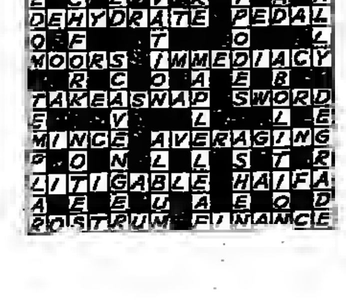
ACROSS

1 Pleasant company attracts Frenchman to cathedral (6)
4 Dog has very little restriction (6)
8 Two points with which French accent can make an impression (7)
9 What is said about foreign currency (7)
11 Foreigner they say married and finished on board (10)
12 Wound keeps Georgia quiet (4)
13 Born to go to sleep in France (5)
14 First person turning beer sour (8)
16 Ammunition for persuading County to get passionate (8)
18 Lines to follow (5)
20 Avoid man from southern Germany (4)
21 Spray person demonstrating in front of West country town (6, 4)
23 Notice you come afterwards to flatter (7)
24 Sergeant-major has a different gag (7)
25 Stickler for going to work on foot . . . (6)
26 . . . is half on edge in N. Ireland (6)

DOWN

1 Against church becoming just a shell (5)
2 Wonder if motorway goes right to Norfolk town (7)
3 Romance in which opposition is pointless (4, 5)
5 Tip for the Kop at Liverpool? (5)
6 Filled father with anything (7)
7 Watches several days during northern holiday (5, 4)
10 20 across fully entitled to respect (9)
13 Revised after having washed (7, 2)
15 Was Gunga Din a bookie? (6, 3)
17 Family was in front when fired (7)
19 A right one getting his teeth into referee (7)
21 Sort of attack to employ (3, 2)
22 Heat generated by the marines (5)

SOLUTION TO PUZZLE No. 1,665



TV Radio

* Indicates programme in black and white.

BBC 1

*1.00 p.m. Hobla. *1.30 Tales of the Riverbank. 1.45 News. 4.20 Play School. 4.40 Jackanory. 4.55 Dastardly and Muttley. 5.15 Adventure River. 5.44 Adventures of Parsley.
5.50 News.
*6.00 Nationwide and Your Region To-night.
6.45 Expedition North America.
7.10 Top of the Pops.
7.50 All in the Family.
8.15 The Good Old Days.
9.00 Nine O'clock News.
9.20 The First Churchills.
10.05 Escape to Fulfilment.
10.35 24 Hours.
*11.35 Art and Technology.

All Regions as BBC 1 except at the following times:—

Wales—*6.00-6.45 p.m. Wales To-day. *6.45-7.10 Heddiw. *10.05-10.35 Byd y Bol.

Scotland—*6.00-6.45 p.m. Reporting Scotland. *12.02 a.m. Scottish News Headlines.

Northern Ireland—6.00-6.45 p.m. Scene Around Six. *12.02 a.m. Northern Ireland News Headlines.

England—*6.00-6.45 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South-West (from Plymouth) *12.02 a.m. Regional News

BBC 2

10.10 a.m. TUC: Economic and Unemployment Debate
11.00 a.m. Play School.
11.20-12.30 p.m. TUC
7.05 p.m. Open University: Mathematics.
7.30 News.
8.00 Canvas: Part 7, The Laughing Cavalier by Frans Hals.
8.15 Trial.
9.05 Gardeners' World.
9.20 Show of the Week: The Two Ronnies, starring Ronnie Corbett and Ronnie Barker.
10.05 Harpsichord Master Class
10.50 News on 2.
10.55 Late Night Line-up.

LONDON

9.30 a.m. Trades Union Congress. 2.15 p.m. Racing from Doncaster. 3.40 Origami. 3.55 Tea Break. *4.25 Peyton Place. 4.55 Woobinda—Animal Doctor. 5.20 Magpie.
5.50 News from ITN.
6.00 To-day.
6.35 Crossroads.
7.00 The Thursday Film: "Kings of the Sun," starring Yul Brynner and George Chakiris.
9.00 For the Love of Ada.
9.30 This Week.
10.00 News at Ten.
10.30 Cinema.
11.00 The Day Before Yesterday.
12.00 What the Papers Say.
12.15 a.m. Father D'Arcy—A Self Portrait: Michael Nelson asks Father Martin D'Arcy what has been his greatest source of strength during his long life.

All ITV Regions as London except at the following times:—

ANGLIA

3.40 p.m. TUC. *4.30 Anglia Newsroom. 4.35 Mel-O-Toons. 4.50 Captain Scarlet. 6.00 About Anglia. 6.20 Arena. 7.00 Survival. 7.30 "The Fake," starring Dennis O'Keefe, Hugh Williams, Guy Middleton and John Laurie. 11.00 The Avengers. 11.55 At the End of the Day.

ATV MIDLANDS

1.45 p.m. Racing from Doncaster. 3.35 To-morrow's Horoscope. 3.40 Women To-day. 4.10 Family Affair. 4.40 The Enchanted House. 4.55 Skippy. 6.00 ATV To-day. *7.00 Thursday Movie: "A Life of Her Own" starring Lana Turner and Ray Milland. 11.00 All Our Yesterdays. 11.30 The Communicators.

BORDER

2.45 p.m. Racing from Doncaster. *4.20 Border News Headlines. 4.22 Houseparty. 4.35 Stories of Tuktu. 4.50 Adventures in Rainbow Country. *6.00 Border News and Lookaround. 7.00 Feature Film: "The Rebel" starring Tony Hancock. 11.00 The Avengers. 12.00 Border News Summary.

CHANNEL

4.00 p.m. Origami. 4.10 Puffin's Birthday Greetings. 4.20 Survival. 4.50 Joe 90. 6.00 Channel News. 6.10 Farming News. 6.15 Channel Sports Round-up. 7.00 Thursday Film: "Ill Met By Moonlight." 11.03 Seaway. 11.55 News and Weather in French.

GRAMPIAN

11.00 a.m. Trades Union Congress. 1.45 p.m. Racing from Doncaster. 3.34 Grampian News Headlines. 3.37 Katie Stewart Cooks. 4.25 Moment of Truth. 4.50 Rumblie Jumblie. 6.00 Grampian News. 6.10 Top Team. 7.00 The Royal Clansmen. 7.30 Thursday Film: "Ladies Who Do" starring: Robert Morley. 11.00 The Day Before Yesterday. 12.00 Evening Prayers.

GRANADA

3.40 p.m. Trades Union Congress. 4.05 News Headlines followed by *Peyton Place. 4.40 Origami. 6.00 Newsday. 6.35 "Let George Do It" starring George Formby. 8.05 Theatre of Suspense. 11.00 What the Papers Say. *11.20 Tension.

HTV

4.09 p.m. To-morrow's Horoscope. *4.14 Moment of Truth. 4.40 Tinkertainment. 4.50 The Adventures of Young Gulliver. 6.01 Report West. 6.18 Report Wales. 7.00 Midweek Movie: "The Glass Bottom Boat." starring Doris Day and Rod Taylor. 10.30 Survival. 11.00 Marcus Welby M.D.

SCOTTISH

2.45 p.m. Racing from Doncaster. *4.10 Locations Edinburgh. 4.15 Paulus. 4.30 Crossroads. 4.55 Bush Boy. *6.00 Scottish News. 6.10 Survival. 6.35 For the Love of Ada. 7.05 Thursday Feature: "Eureka Stockade." starring Chips Rafferty. 9.00 Be My Guest, starring Relen McArthor. 11.00 Festival. *11.30 Homicide. 12.25 a.m. Late Call.

SOUTHERN

1.45 p.m. Racing from Doncaster. 3.35 To-morrow's Horoscope. 3.40 Women To-day. 4.10 Houseparty. *4.23 Dinky Wisecracks. 4.30 Crossroads. 4.55 The Lone Ranger. 6.00 Day by Day. 6.35 For the Love of Ada. *7.05 McQueen. 7.35 The Saint. 8.35 Theatre of Stars. 11.00 Southern News Extra. 11.10 The Bold Ones.

TYNE TEES

2.45 p.m. Racing from Doncaster. 3.15 Trades Union Congress. 4.10 North East Newsroom. 4.15 Short Story. *4.40 Origami. *4.55 The Forest Rangers. 6.00 To-day at Six. 6.25 Police Call. 6.30 Nanny and the Professor. 7.00 Thursday Action Film: "Voyage to the Bottom of the Sea," starring Walter Pidgeon and Joan Fontaine. 10.30 Sportstime. *11.00 Seaway. 12.00 Late News Extra. 12.15 a.m. Revolving Chair.

ULSTER

10.30 a.m. Trades Union Congress. 2.15 p.m. Racing from Doncaster. 3.00 Trades Union Congress. *4.30 Romper Room. *4.50 Ulster News Headlines. *4.55 Bush Boy. *6.00 UTV News. *6.10 Nanny and the Professor. *7.00 The Feature Film: "Inherit the Wind," starring Spencer Tracy, Fredric March and Gene Kelly. 11.00 The Avengers.

WESTWARD

12.00 Trades Union Congress. 2.15 p.m. Racing from Doncaster. 3.58 Westward News Headlines. 4.08 Origami. 4.10 The Gus Honeybun Show. 4.20 Survival. 4.50 Joe 90. *6.00 Westward Diary. *7.00 Thursday Film: "Ill Met by Moonlight" starring Dirk Bogarde and Marius Goring. 10.59 Westward Late News. *11.03 Seaway. 11.55 Faith for Life.

YORKSHIRE

2.15 p.m. Racing from Doncaster. 3.45 Yoga for Health. 4.10 Calendar News. *4.15 Matinee. 4.40 Origami. 4.55 Bush Boy. 6.00 Calendar. *6.30 F Troop. 7.00 Cartoon Time. 7.05 Thursday's Action Film: "An American Guerilla in the Philippines" starring Tyrone Power and Micheline Presle. 10.30 Yorksport. 11.00 Cinema. 11.30 Ballet for All.

RADIO 1 247m

Time checks, up-to-the-minute traffic reports and News summaries at 5.30 a.m., 6.00, 6.30, then every hour on the half-hour until 2.30 p.m., 3.00, 3.30, 4.00, 4.30, 5.30, 6.30, 7.00, 8.00, 10.00, 11.00, 12 midnight, 1.00 a.m., 2.00. Weather at 5.32 a.m., 6.02, 6.32, 7.32, 8.32, 5.32 p.m., 6.32, 7.02, 2.02 a.m.
5.30 a.m. As Radio 2. 7.00 Tony Blackburn. 9.00 Johnnie Walker. 10.00 Jimmy Young. 12.00 Radio 1 Club. 2.00 p.m. Mike Lennox. 3.02 Terry Wogan. 5.00 What's New. 6.00 Sounds of the 70s. 7.45-2.02 a.m. As Radio 2.

RADIO 2 1,500m; VHF

News summaries at 5.30 a.m., 6.00, 6.30, (VHF and 247m) 7.00, 7.30, 8.00, then every hour on the hour until 3.00 p.m., 3.30, 4.00, 4.30, 5.00, 5.30, 6.00, 6.30, 7.00, 9.00, 10.00, 11.00, 12 midnight, 1.00 a.m., 2.00. Weather at 5.32 a.m., 6.02, 6.32, 7.02, 7.32, 8.02, 9.02, 5.32 p.m., 6.32, 7.02, 2.02 a.m.
5.30 a.m. News. 5.32 Breakfast Special. 8.27 Racing Bulletin. 8.55 Pause For Thought. 9.02 Pete Murray's Open House. 11.02 Morning Story. 11.15 Waggoners' Walk NW. 11.30 As You Were. 12.02 p.m. Sam Costa puts the Accent on Melody. 1.50 Sports Desk. 2.02 Motor Cycling: Manx Grand Prix, report. 2.03 Woman's Hour. 3.00 Follow the Favourites. Racing: 3.00, 3.30 and 4.00. 4.15 Waggoners' Walk. 4.31 Sports Desk. 4.40 Charlie Chester offers music, letters and stars on disc. 6.02 Album Time with Brian Matthew. 6.45 Sports Desk. 7.03 Alan Dell's Big Band Sound. 8.02 Sports Desk. 8.02 Donald Sinden says Be My Guest. 8.30 The Organist Entertains. 9.00 Eric Robinson's Music Club. 10.02 Late Night Extra. 12.00 Midnight Newsroom. 12.05 a.m. Night Ride. 2.00 News.

RADIO 3 194m, 464m; VHF

7.00 a.m. News. 7.05 Morning Concert: Dvorak, Tchaikovsky, Mono, Quantz, J. C. F. Bach, gramophone records. 9.00 News. 9.05 This Week's Composer: Britten on gramophone records. 9.35 London Studio Players: William Mathias, J. C. Bach, Barber, Mozart. 10.20 Piano Recital: Beethoven, Busoni, Tippett. 11.00 Edinburgh International Festival concert, part 1. 11.45 Music and Communication: talk. 12.00 Festival concert, part 2. 1.00 p.m. News. 1.05 Furtwangler Conducts: Haydn, Smetana. 1.45 The Magic Flute: Opera in two acts, Act 1. 2.50 The Interval: talk. 3.05 The Magic Flute. 4.20 Pied Piper: Tales and Music for Younger Listeners. 4.40 Broadwood Fortepiano Recital: Field, Moscheles, Pinto. 5.20 Chamber Music: Ernst Hoffman. 5.40 Youth Orchestras of the World. 6.25 Programme News and Stock Market Report. 6.30-7.30 Study On 3: 6.30 The Arabs, part 5: 6.30-7.0 VHF Open University: Science: 7.00 A Language in Your Briefcase: English-speaking African Countries. 7.30 The Proms: part 1: Tchaikovsky. 8.10 Foam On The Wave: talk. 8.30 The Proms: part 2: Berlioz. 9.30 The Lament. 10.30 Mozart and Brahms recital. 11.30 News Summary.

RADIO 4 330m; VHF

5.25 a.m. News Summary. 4.27 Farming To-day. 6.45 Prayer For The Day. 6.50 Regional news, weather and preview. 7.00 To-day: magazine. The News. 7.40 To-day's Papers. 7.45 Thought For The Day. 7.50 Regional news, weather and preview. 8.00 News and more of To-day. 8.40 To-day's Papers. 8.45 Anne of Green Gables, part 9. 9.00 News. 9.05 If You Think You've Got Problems . . . ! 9.45 Operatic Heroines: Manon. 10.15 Daily Service. 10.30 All Kinds of Music. 11.30 Tales From Tolstoy, part 4. 12.00 You and Yours. 12.25 p.m. The Men From The Ministry. 12.55 Weather preview and news. 1.00 The World At One. 1.30 The Archers. 1.45 Listen With Mother. 2.00 Steve Race's Invitation To Music. 3.00 Afternoon Theatre. 3.45 A Choice Of Paperbacks. 4.30 Story Time. 5.00 P.M.: News magazine. 5.50 Regional news, weather and preview. 6.00 Six O'Clock News. 6.15 Brothers In Law. 6.45 The Archers. 7.00 News Desk. 7.30 Does The Team Think? 8.00 Bandits: The Myth and the Reality. Pancho Villa. 8.45 A Green And Pleasant Land: Rand Dube sharing her experiences. 9.30 New Worlds. 9.59 Weather. 10.00 The World To-night. 10.45 Life With The TUC: George Woodcock discusses his career. 11.00 A Book At Bedtime. 11.15 Late News. 11.31 Trends.

Racing

Easy for Rock Roi

by DARE WIGAN

IT COULD be argued that to-day's Doncaster Cup (3.30) is an even contest between *Meadowville* and *Rock Roi.* But though *Meadowville*, receiving four pounds from *Rock Roi*, defeated him by a short head in the John Porter Stakes at Newbury in April, and followed up by just getting the better of *Prince Consort* in the Jockey Club Stakes at Newmarket, I shall be surprised if he troubles *Rock Roi* this afternoon.

In the paddock and on parade before the Princess of Wales's Stakes at the Newmarket July meeting *Meadowville* gave clear evidence that he disliked racing and made a thorough nuisance of himself in the stalls, causing himself injury in the process.

In any event, even assuming that M. Jarvis has contrived to restore his enthusiasm, I doubt the ability of *Meadowville* to stay two and a quarter miles.

Rock Roi is a confident selection to bring a measure of compensation for his unfortunate disqualification following the Ascot Gold Cup.

Several of the best staying three-year-old fillies will contest the Park Hill Stakes (2.30) in which Noel Murless poses a problem by running both *No Surtax* and *Yelda.*

At Newmarket, at the end of July, *No Surtax*, a half-sister by *Never Say Die* to *Busted*, created a minor sensation when defeating the odds-on *Outback* by a wide margin.

But later, in the Galtrea Stakes at York, she had to work hard in order to get the better of *Example* and *Boulette.*

At that same York meeting *Outback*, who had been attempting to give *No Surtax* a stone at Newmarket, failed by only a head to resist the late challenge of *Fleet Wahine* in the Yorkshire Oaks.

Form suggests that *No Surtax* ought to win, but she will not find *Outback* a pushover on this occasion and Sir Humphrey de Trafford's *Alcide* filly is well worth including in Jackpot permutations.

Murless saddles *Redundant* in the Feversham Stakes (3.00) and I was impressed by the running of this colt on his only appearance, behind *Cider Honey* at the Newmarket July meeting.

Advice from headquarters is that newcomer, *Cara-Cara*, a grey colt by *Sea Hawk II* whom Jack Watts trains for Mrs. Jane Engelhard, is useful, and *Crepeeno* shaped with promise behind *Baragoi* and *Double Tot* at Sandown on Saturday. However, I expect *Redundant* to win.

Whether or not Watts is successful with *Cara-Cara*, he has reasonable prospects of landing the Bradgate Park Nursery Handicap (4.00) with *Conchy.*

And *Smart Sam*, who has had a good rest since a successful spring campaign, is preferred to *Eterako* in the Cleveland Handicap (4.30).

For a long time it looke though Harry Wragg was g to be hard put to it to g race out of *Royal Garlan* superbly bred colt by *Right R V.* out of *Festoon.* How blinkers worked the orac Windsor last month and ma so again in the Autumn Han (5.00).

Yesterday's $510,000 que was answered in part *Crowned Prince* was a com able winner of the Champ Stakes, thereby recou £5,413.80 of his purchase p

DONCASTER

2.00—Aberdan
2.30—No Surtax
3.00—Redundant*
3.30—Rock Roi***
4.00—Conchy
4.30—Smart Sam
5.00—Royal Garland

SALISBURY

2.15—Swagman
2.45—Plummet
3.15—Oh Brother
3.45—Jakomima**
4.15—Dance

CARLISLE

2.45—Bungebah
3.15—Rocbuster

ART GALLERIES

AGNEW GALLERY, 43, Old Bond St., W.1. 629 6176. Closing 10th September. EXHIBITION OF OLD MASTER PAINTINGS UNDER £1,000. Mon.-Fri. 9.30-5.30.

KAPLAN GALLERY, 6, Duke Street, St. James's, S.W.1. French Impressionist and post impressionist paintings. Mon.-Fri. 10-6.

MARLBOROUGH FINE ART, 39, Old Bond St., W.1. MASTERS OF THE 20th CENTURY. Daily 10-5.30. Sats. 10-12.30. Until Sept. 30. (New premises at 6 Albemarle St. closed September for alterations.)

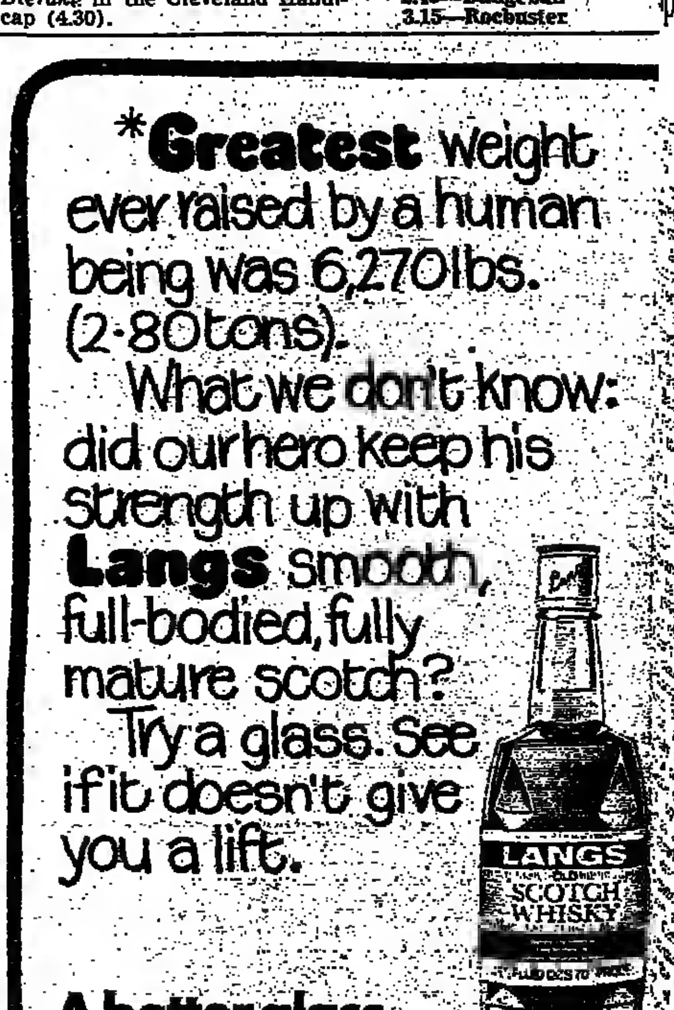
ORIAN GALLERIES, 6-7, Porchester Place, W.2. Muriel Juniper, Rika Pana paintings.

MARJORIE PARR GALLERY, 285, Kings Road, Chelsea, S.W.3. THETIS BLACKER Batik Paintings. Open all day Saturday. Until October 2.

LUMLEY CAZALET, 24, Davies St., W.1. 01-499 5058. Etchings, lithographs and silk-screens by young printmakers.

MALL ART GALLERIES, The Mall, S.W.1. Society of Wildlife Artists & Society of Graphic Artists. Annual Exns. Adm. 20p. plus Recent Paintings by Vicky Cox. Adm. Free all until 18th September. 10-5. Sats 10-1.

OMELL GALLERIES. New selections of Fine 19th and 20th Century Paintings for the Home and for Investment at Realistic Prices. 22, Bury Street, St. James's, S.W.1.



Royal Lyceum, Edinburgh

You Can't Take It With You

by B. A. YOUNG

Moss Hart and George S. Kaufman wrote this comedy in 1936. It played a run of 837 performances in New York and won its authors a Pulitzer Prize.

It certainly is a very funny play by the standards of the time. The dotty members of the Sycamore family may be hard to believe in, but as pieces on a comedy chess board they fulfil their functions very nicely as they are moved by the skilful hands of their creators.

The only trouble is that the formula has been used rather often since those happy carefree days, halfway between the Depression and the Second World War, and we can see the wheels going round in the works too easily. This involves a need for extra slick playing, playing so exactly timed that we never have a chance to ask why is he doing this, why isn't he doing that, and so forth.

There are undoubtedly some moves in the game that are too predictable, there is undoubtedly some awfully sententious cracker-barrel moralising ("The world's not so crazy, it's the people in it.") With brisk direction and brisk playing, these little skeletons can be kept in their cupboards.

The Long Wharf Company's playing is not so brisk as one could desire. I suspect they are deliberately playing fairly slow, so that we may keep up with the happy nostalgia of all those period references — Father Divine, Kay Francis, Russian grand duchesses working as waitresses. They can afford to sharpen it up; we like our comedy fast, and if we don't get the jokes right off we are happy to wait for the next when they are so many.

Certainly there's nothing else wrong with a most pleasant production, directed by Arvin Brown, designed by Kert Lundell. I only feel, rather ungratefully, that a good rep. production of a standard rep. play hardly qualifies as festival material.

Old Vic

The Last Sweet Days of Isaac

by KENNETH ADAM

Time was, when musical comedies in the London theatre could be relied on to take place in English country gardens, where the course of true love never ran smooth before the final curtain. Time is, when just as predictably, the setting is urban America, but now all the song is of alienation, and the lovers come to a sorry end, having failed either to communicate or consummate. *The Last Sweet Days of Isaac*, brought by the Theatre Royal, York, to the Old Vic, is no exception. The moment one enters the auditorium to be confronted by a mass of steelwork and scaffolding, one knows these frames will encage the principals, who will die with Marshall McLuhan on their lips, to the accompaniment of what in the old days would have been a heavenly choir, but in these, is a vocal and instrumental rhythm group (of more than average merit), called, wait for it, the Zeitgeist.

Happily the whole of the short evening is taken lightly and fast; the music by Nancy Ford is folk-simple and tuneful; Isaac and his girlfriend are played with great gusto and a wealth of comic business by Bob Sherman, a young Ian Carmichael, and Julia McKenzie, a smaller Peggy Seeger. The scene where, marooned in an elevator, Isaac with evil but naturally foiled intent, undresses Ingrid, while she is belting out an aria into a handheld microphone, is as funny as anything in London, let alone York, I would say. In its earlier realisation, *Isaac* was noticed on this page. Enough to say it has translated worthily to the hallowed and now reverberating walls of the National Theatre.

Julia McKenzie and Bob Sherman

Hampstead Theatre Club

Principal Edwards Magic Theatre

One of the fascinations of the pop world is its restlessness. That is why, to the younger generation, as a medium, it is far more representative of modern life than other forms of entertainment. A programme note at the Hampstead Theatre Club states: "For some time rock bands have been kicking against the restrictions of just being a rock band."

Indeed, in Britain the Incredible String Band has tried with fluctuating results to bring dance mime and theatre to the pop music stage. In America Frank Zappa and the Mothers have been most successful of all in presenting comedy and pop music at the same time. Now Principal Edwards Magic Theatre, which has been in existence since 1968, comes to London with their offering.

Personally, I don't see the dissatisfaction with plain musicianship. I liked Principal Edwards album (Dandelion 8002). The mime, dance and attempts at humour don't really add all that much. But this is not to say it is not a worthwhile effort.

The evening opened with Martin Stellman as a self-mocking ringmaster introducing John McMahon Hill dressed as a clown. The musicians then went into *Vollaboat Two*, a hard rock riff led by Root Cartwright on guitar. It was a musical strength not matched by the subsequent theatrical part of the programme. Principal Edwards, like many groups, have fashionably retired into the country to prepare their career yet I think it is this very rural background which is responsible for the introspective whimsicality upon which much of their theatrical work founders.

There were two moments of welcome steel glinting beneath the soft exterior. Both came from Martin Stellman. One, an excellent parody of a critic intent on intellectualising pop and the other, far less successful, of a Soccer match-type report of a meeting between the Rolling Stones Albion and Led Zeppelin United. A good idea blunted by a lack of vitriol.

MICHAEL WALE

German award for Peter Daubeny

Peter Daubeny, artistic director of the Royal Shakespeare Company's annual World Theatre Season, has been awarded the Bundesverdienstkreuz, the Order of Merit of the Federal Republic of Germany. This is in recognition of his services to German theatre and Anglo-German relations. It is the first time the German Government has made

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this award to the British stage. Mr. Daubeny has four times presented German companies in his World Theatre Season since its foundation in 1964, including productions of plays by Goethe, Frisch, Zuckmayer, Wedekind, and Schiller.

"This award," Mr. Daubeny said yesterday after its presentation to him by the German Ambassador, "has given me great encouragement to continue my work. I hope we shall see more German theatre in London and that the understanding between our nations will grow from strength to strength."

Mario Basiola (seated) in Malipiero's "Uno dei dieci"

Foto-Passerini

Music in Siena—1

One of the ten

by WILLIAM WEAVER

The Accademia Chigiana, Siena's distinguished musical summer school, is just completing its fortieth year. And the Settimana musicale senese, the Chigiana's brief festival, is currently in the midst of its thirty-eighth edition. For organisations of this kind, such dates are impressive; but there is nothing senescent or even venerable about the Accademia or the Settimana these days. The students who come to Siena from all over the world were able, during the past weeks, to study composition with Franco Donatoni and Morton Feldman, to listen to Luigi Dallapiccola's seminar on Berlioz's treatise on orchestration, as well as follow more traditional classes in various areas of performance.

The Settimana, too, opened with new music. The first concert was devoted entirely to Dallapiccola, and included one world première and two Italian premières. After a performance of his well-known series of *Greek Lyrics* (texts of Anacreon, Sappho and Alcaeus, set between 1942-45), with the Bulgarian soprano Slavka Taskova, an intelligent though small-voiced artist, came the first of the works new to Italy: *Sicut umbra* for voice and four groups of instruments. Commissioned by the Elizabeth Sprague Coolidge Foundation, this composition was first performed in Washington last October. After a brief introduction for winds there are three episodes, each a setting of a poem by Juan Ramón Jiménez. They represent Dallapiccola at his lyrical best; each word, each verse is deftly, delicately accompanied. The Spanish mezzo-soprano Carmen Gonzalez, with her taut yet passionate interpretation, contributed to the great success of the performance. Members of the Maggio musicale orchestra (also in the *Greek Lyrics*) were intelligently and accurately conducted by Zoltan Pesko, a former student of the Chigiana, now at the Deutsche Oper in Berlin.

For the second half of the concert, the Chamber Chorus of the Italian Radio, conducted by Nino Antonellini, performed first two early works, choruses on texts by Michelangelo Buonarroti il Giovane, which Dallapiccola wrote in 1933. Then came *Tempus destruendi* (Ploratus), completed only last June and being performed for the first time, followed by its companion piece *Tempus aedificandi* (Exhortatio), finished last November and first performed in Tel Aviv. The Imploration uses an 8th century text by Paulino di Aquileia; the Exhortation is by an Irish monk of about 1095, inspired by the Crusades. Both works are highly dramatic, with the chorus employed at times virtually as percussion, at other times as a pedal beneath a solo soprano. The works are brief, tense, and powerful.

The following evening's concert was to have included a world premiere by Hans Werner Henze, but the work was not completed in time. So the Chigiano Sextet (two violins, two violas, two 'cellos) played an "authorised" arrangement of Henze's suite for sextet from his film score, *Der junge Törless*. Though this is a recent work, it is in quite a different vein from the latest Henze of *El Cimarron* and *Natasha Ungeheuer*; it is a work of great refinement and introspection, a return to the earlier, pre-revolutionary Henze (perhaps the two can peacefully co-exist).

There *was* a world premiere on the programme, however: *Three Songs* for voice and six instruments by Uguslberto De Angelis, a young composer who lives in Florence, where he was a student of Dallapiccola. From this teacher he has obviously gained a profound feeling for words (the texts in this case are poems by Giorgio Vigolo, contemporary Italian poet and music critic), as well as great skill in handling a small ensemble. Three members of the string sextet left the stage and were replaced by a flautist, a clarinettist and a harpsichord player. The songs were sung by Slavka Taskova, for whom they were written. The evening ended with a surprisingly bumpy performance of the Schubert C major Quintet.

Now well into his Eighties, Gian Francesco Malipiero is the dean of living Italian composers; he is also one of the most productive—too productive, as even his warmest admirers admit. No season in Italy goes by without at least one or two Malipiero premieres; and in this great mass of work, one has difficulty distinguishing what is valid. The Settimana senese presented, for example, three brief one-act operas. *Il figliuol prodigo* (The Prodigal Son) dates from 1951; the other two—*L'Iscariota* (The Iscariot) and *Uno dei dieci* (One of the Ten)—were being performed for the first time. Though it has a few attractive episodes, *Il figliuol prodigo* seemed long and, finally, pointless. *L'Iscariota* is really a monologue, with a few interruptions, and made no dramatic point, though the libretto (written, like the others, by the composer himself) has some attractive qualities. And then *Uno dei dieci*, a Pirandellian story set in Venice after the fall of the Republic, where a member of the Council of Ten has shut himself away from the world, refusing to accept history, and where all his family and friends engage in the deception that the Serenissima is still free and powerful. At the end, the protagonist summons his strength, faces reality, and—with it—the imminent prospect of death. This final scene was intensely moving and deeply felt; the autobiographical overtones were evident. Mario Basiola Junior gave a commanding performance, and Nino Sanzogno conducted the Maggio musicale orchestra in a carefully-prepared reading. Visually, the evening was not notable; and among the other singers, only the promising tenor, Maurizio Frusoni, as the Prodigal Son, need be singled out.

The younger generation of new musicians is also represented in Siena. The New Phonic Art group (Michel Portal, reed instruments; Vinko Globokar, brass; Carlos Roque' Alsina, piano; and Jean-Pierre Drouet, percussion) held an improvisation session in the courtyard of the Palazzo Chigi Saracini and then gave a concert there, mostly of familiar advanced works: Berio's *Sequenza V*, *Stockhausen's Zyklus*, and Globokar's own *Correspondances*.

Usher Hall, Edinburgh

Chicago Symphony Orchestra

by GILLIAN WIDDICOMBE

The American orchestras best known in this country are the New York Philharmonic, the Philadelphia, The Boston Symphony, and to a lesser degree the Cleveland. Since the war their visits have been directly dependent upon the personal reputations of their principal conductors, and indirectly upon the efforts of their relevant record companies.

That the Chicago Symphony never came to Europe with Fritz Reiner is an omission that must partly be levied at the unhappy past of RCA records, whose British distribution until recently hopped from one company to another and thereby allowed all records except those by European familiars such as Toscanini and Rubinstein to trickle along the contractual slipstream. Of course it was necessary for the British record industry to concentrate on the establishment of British orchestras, and that meant not pushing Americans. But we were truly deprived of Reiner and the Chicago Symphony.

For though it was Fredrick Stock whose long conductorship (1905 to 1942) made the Chicago famous—ironically the first American orchestra to make commercial gramophone records—it was Reiner who made it great. His range is best remembered by his records of Haydn symphonies, Bartok's *Concerto for Orchestra* and the large Strauss works. Those not familiar with these records should imagine the combination of Szell's technical discipline with Bernstein's musical warmth and exuberance.

After Reiner's death in 1963, the Chicago had six less happy years with Jean Martinon. The succession of personalities was not successful; Chicago lost prestige, and Philadelphia stole the acknowledgement as America's best orchestra. Expense, the conductor problem after Reiner, the neglected European reputation, and the fact that the Chicago makes fewer domestic tours than its rivals: all these presumably account for no trips to Europe. Now, however, the Chicago sponsors evidently feel that their own arrangements are worth the export, and the CSO undertakes its first Atlantic crossing with the European guarantees of Solti as principal conductor and Giulini as principal guest. The tour has begun with four Edinburgh concerts in which the full range of touring programmes has been displayed. The CSO then circles Europe, including Brussels, Stockholm, Berlin, Munich, Paris, Milan, and returns home after two concerts in London on October 5 and 6. The programmes they have packed are fiendish, including nine performances of Mahler's *Fifth Symphony*, which is taxing even for an orchestra accustomed to the American habit of consecutive repeats of every programme.

The Chicago strings have a stately tone that gleams like brand new gilt. Suitable similes have been the competition of this year's Edinburgh Festival. The one I like best is appropriately American: there are no passengers, everyone drives. The rhythmic impact is strong, and the fierce precision achieved is the orchestra's dominant feature. Its best example was given in Solti's Sunday concert, when the first three movements of Mahler's *Fifth* were so crisply defined that basic aspects of Mahler's style came up for question.

Whether for all his reputation as ruthless conductor, Mahler could have envisaged and intended such punchy effects. Certainly Solti intended them, for they are a regular feature of his style, and it was immediately clear that he and the Chicago are ideally matched in this.

But precision is possibly a dangerous virtue, for it can become a weapon. Neither Solti nor Giulini have yet established infallible technical communication with this orchestra, and both have had moments in Edinburgh when some of the fiddles have cut corners and driven on the wrong side of the beat—Solti in the opening of the Mozart D minor Concerto, K.466; Giulini much more noticeably in the fugato opening of the Berlioz *Romeo and Juliet*. The clarity elsewhere is such that these mistakes show, and a harsh glint makes the brightness seem coarse. It is probably a penalty of touring.

In some places the CSO's tendency to primary string colours has brought out the less likeable features in Solti's work. His accompaniment to Ashkenazy's delicate Mozart was stiff, loud and unsmiling; and the Mahler Adagietto was brutal, all shine, no sheen. One misses, for instance, the silky quality of Ormandy's opulent Philadelphia strings; also the flexible colouring and temperament of the London Symphony, who have also given four concerts at Edinburgh this year.

Giulini softens the Chicago strings slightly, though less consistently than I had expected. Every phrase in his Monday performance of Mozart's *Symphony No. 39* was perfumed and painted: and on Tuesday Haydn's "Surprise" symphony was gaudily phrased, dappled with a dozen different bowing tricks in the Andante variations. Both Stravinsky's *Firebird* and the Ravel *Rapsodie espagnole* had long spells of sensational effectiveness, where every splinter of crafty scoring was marvellously brought off. But where we expected most, we were most disappointed; Giulini's *Romeo and Juliet* missed passion and tenderness, and gave the strongest confirmation that the Chicago orchestra is a magnificent machine without a lyrical soul; it played but did not sing.

The strings, then, are controversial; but the Chicago brass players are straightforwardly spectacular, without question the crown of the orchestra. They have—it is said and surely true—the finest principal trumpet in the world; Adolph Herseth, whose brilliant articulation in the opening movement of Mahler's *Fifth* was sensational. As a whole, the brass tone is solid, sensual gold. Attention to balance is paramount, including the use of Viennese trumpets for Mozart and Haydn, to give a smoother, softer tone that blends carefully with the horns. This effect was delightful in the Mozart *E flat Symphony*, but arguably misplaced in the Haydn "Surprise" where more brilliance seems needed.

Besides this, the woodwind is disappointing, both principal oboe and bassoon are remarkable soloists, but clarinets and flutes are more bland than individual. And the section as a whole does not ride the overall ensemble as distinctly as, for example, the Berlin Philharmonic. However, it is only fair to add that this is a characteristic of American orchestras, whose concept of the relationship between brass, woodwind and strings is different from that prevalent in Europe. An American orchestra seems to expect its conductor to phrase woodwind in positively autocratic detail.

The temptation to continue a list of specific components is great for the reason that all are so clearly revealed in the Chicago orchestra. But I must finish by adding only a few. The orchestra is travelling with a very large body of strings: 18 first violins, 18 seconds, 11 violas, 11 'cellos, but only nine basses—American orchestras often have ten. (Significantly, both Giulini and Solti have used a large body of strings for Mozart, as though not keen to attempt the delicate shading of a smaller group.) Most remarkable within the strings is the 'cello section whose reedy strength is also warm—this is led by Frank Miller, whose smooth playing of solos is imperturbable, and has been a legend since leading Toscanini's 'cellos in the NBC orchestra.

New York Music

The Mother of Us All

by DAVID HAMILTON

New York's usually moribund operatic summer was enlivened recently when a touring troupe from the Center Opera Company of Minneapolis brought two productions to the Hunter College Assembly Hall: *The Mother of Us All*, a 1947 Gertrude Stein-Virgil Thomson collaboration based on the career and character of America's most celebrated suffragist, Susan B. Anthony (1820-1906), and *Faust Counter Faust*, described as "a music-theatre collage" by John Gessner and H. Wesley Balk.

Although the Stein-Thomson opera has had numerous productions around the country, it was clearly a novelty for most of the Hunter audience (including this reviewer), and it emerged, even in this pared down production, as something of a minor masterpiece. To be sure, it currently benefits from considerable topicality, for the subject is, essentially, what we now know as Women's Liberation—and Stein's prescient libretto gives eloquent voice not only to the appropriate aspirations, but also to the inevitable paradoxes: when women have the vote, they will probably become just like men.

The delightfully non-linear text, in which characters from all periods of Anthony's life (as well as a few from Stein's—for there is a strong author-heroine identification here) are mixed together at once, also proves exceptionally compatible for operatic use: the built-in word repetitions function much as did the standard Italian method of sing-the-same-words-over-and-over-again. Less gnomic than her earlier libretto for Thomson (*Four Saints in Three Acts*), this text induces an equal delight in the possibilities of linguistic sparseness, while conveying its arguments with surprising directness.

Thomson's score partakes of the same sophisticated simplicity, revelling in the "plain-as-a-mud-hen" harmonic and melodic styles of 19th-century American hymns, dances, and popular songs. Treading the treacherous tightrope between banality and "camp" with never a false step, he imposes a variety of pacing and an always-convincing speed of text delivery that bespeaks the hand of a theatrical master. Nor is he unaware of the sensuous possibilities of the voice; the heroine, in particular, has set pieces that call for impeccable technique and forceful projection—amply provided on this occasion by Judith Erickson. Even in a reduced version for piano, trumpet, percussion, and harmonium (the latter doubled by the singer playing John Quincy Adams!), the music's charm and inventiveness was sustained throughout.

The exigencies of touring also led to some doubling-up and elimination of characters (their lines given to others); this was occasionally confusing, although only relatively so, given the determined ellipticality of the original. The much stylised—indeed, virtually choreographed—stage action matched well the score's foot-tapping rhythms, drawing frequently and wittily on the *plastique* of turn-of-the-century American popular theatre, and it was played to perfection by the Center Opera's flexible troupe.

Faust Counter Faust, which originated with the Minneapolis company, also had a message, a somewhat more complex thesis relating the destructiveness of modern technology to the precedent set by the original Faust, whose unwilling 20th-century counterpart is here "treated" by a kind of theatrical therapy (involving doses of Goethe, Marlowe, Berlioz, Boito, and Gounod), in the hopes of convincing him of the traditional view that his predecessor's ends, if not his means, were worthy of admiration. The use of quoted material unfortunately loses focus, eventually leaning on Boito's "Lontano" duet for sheer sensuous appeal and then turning to parody.

Gessner's own musical contributions hardly matched his borrowings in distinctiveness or invention; their stylistic orientation was somewhat Polish (reminding us that they bear a lot of Penderecki in Minneapolis, where Skrowaczewski is the resident conductor). As music, *Faust Counter Faust* is negligible; as theatre, it is well and seriously intentioned, erratically entertaining—and, at all events, a splendid showcase for the company's dazzling physical vitality.

A more usual musical harbinger of August in New York is the so-called "Mostly Mozart Festival," a low-price, low-pressure concert series that occupies Philharmonic Hall for a month, alternating orchestral, chamber and vocal concerts devoted to Haydn and Schubert as well as the eponymous patron saint of Salzburg.

The opening concert this year was most impressive in the work of the soloists, for the orchestra (a group of the city's best free-lance players) had not yet shaken down into its best form, and the direction of Sergiu Commissiona was rather tense and unsteady.

ENTERTAINMENT GUIDE

OPERA AND BALLET

COVENT GARDEN. ROYAL OPERA. Tonight at 6 DIE WALKURE Shuard, Dernesch, Hesse, Cassilly, McIntyre, Ridderbusch. Cond: Downes. Sept. 17 at 6 SIEGFRIED. Sept. 25 at 5 GOTTERDAMMERUNG. Stalls available. Now booking for perfs. Oct. 8 to Nov. 30: AIDA, FIDELIO, FALSTAFF, ROSENKAVALIER. (240 1050.)

COLISEUM. Sadler's Wells OPERA. Tonight at 7.30 THE MARRIAGE OF FIGARO Tomorrow at 6.30 LOHENGRIN Sat. at 7.30 THE BARBER OF SEVILLE Tues. at 7 CARMEN Wed. next at 7.30 RIGOLETTO

THEATRES

GLOBE. 437 1592. Evenings only 7.30. ALAN BADEL as KEAN A Comedy by Jean Paul Sartre. Hilarious comedy ... acting sensation. Sk.

HAYMARKET. 930 9832. Evenings 8.0. Mats. Wed. 2.30. Sats. 5.0 and 8.15. ALEC GUINNESS, JEREMY BRETT in A Voyage Round My Father by JOHN MORTIMER.

ST. MARTIN'S. 836 1443. Evs. 8.0. Sat. 5, 8.30. Mat. Wed. 2.45 (red. prices) MARIUS GORING, JOHN FRASER in SLEUTH Now in its Second Thrilling Year. "Best for years." Ev. News.

TALK OF THE TOWN. 734 5051. Fully Air Cond.

LOVELACE WATKINS · MOVE OVER MRS. MARKHAM · MAGIC OF THE MINSTRELS · PYJAMA TOPS · FIDDLER ON THE ROOF · GOOD LADS AT HEART · HOW THE OTHER HALF LOVES · THE PHILANTHROPIST · DIE WALKURE · THE SLEEPING BEAUTY · ENGLISH OPERA GROUP · SHOW BOAT · THE MOUSETRAP · FORGET-ME-NOT LANE · IAN McKELLEN as HAMLET · CANTERBURY TALES · VIVAT! VIVAT REGINA! · BIG BAD MOUSE · JUMP! · WEST OF SUEZ · OH! CALCUTTA! · SKYVERS · THE SECRETARY BIRD · "HAIR" · THE JOCKEY CLUB STAKES · DON'T START WITHOUT ME · "DON'T JUST LIE THERE, SAY SOMETHING!" · "No Sex Please, We're British" · THE GREAT WALTZ · THERE'S A GIRL IN MY SOUP · ALAN BATES in BUTLEY

CINEMAS

CLUBS

Farming and Raw Materials

W. Indies seeks big rise in Commonwealth sugar price

BY OUR OWN CORRESPONDENT

BARBADOS, Sept. 8.

WEST INDIAN sugar producers are to press for an increase in the oegotiated Commonwealth Sugar Agreement price to tha level currently maintained under the U.S. Sugar Act wben the agreement is reviewed in London in October.

They will also suggest that the CSA price be negotiated annually in preference to every three years as is now the case.

Sir Robert Kirkwood, chairman of the West Indies Sugar Association (WISA) said here that tha decision to ask for sucb a steep inccease (from the present £46.50 negotiated price to around £70 a ton) was unanimously resolved at a meeting of WISA's Board of directors just ended.

Mr. Norman Girwar vice-president of the Caribbean Cane Farmers Association, wbo also attended the meeting, said his organisatioo "endorsed tha resolution 100 per cent."

Production costs

Sir Rohart gave two main reasons why the Commonwaalth Caribbean would seek the increase. On the one band, the price now paid under the agreement is "far less" than production costs in the area. On the otber, the price bas been "virtually unchanged" for the past 11 years when the cost of most goods and services had risen hy about 40 per cent.

Sir Robert said the sugar industry in the Caribbean was "losing millions of pounds annually on sugar sold to the U.K."

He gave the figure aa £8m. over the triennial period 1968, 1969 and 1970. He also pointed out that while the CSA price had remained static for 11 years the U.S. had increased its price by 55 per cent.

Sir Robert aaid that if a price satisfactory to the Commonwealth Caribbean were not agreed to at tbe autumn review, be felt the Governments of the area sbould make strong representations to the British Government.

He revealed that Mr. Hugb Shearer, the Jamaican Prime Minister, had raised the matter with Mr. Heath during their meeting in London in July and "had put all the facts."

The directors of WISA also saw the need for a revision of the original formula of the CSA," Sir Robert said. This states that the price should be "cemunerative to reasonably efficient producers." Under these terms with other Commonwealth producers to be taken into account Caribbean producers would not get a price that is "anywbere near adequate."

Costs bad risen appreciably in the Caribbean "due to circumstances beyond our control," be said. "In the end it is likely to be a political decision," Sir Robert declared. "Tha British Government has got to be prepared to rescue Caribbean sugar."

French level

Our Commodities Editor writes:—London sugar trade sourcea auggested yesterday that the Caribbean plea for a price increase is likaly to be treated sympathetically by the British Government, although it would be vary surprising if the extent of their demand—an increase from £46.50 to around £70—was met in full.

At the same time, U.K. domestic sugar prices are destined to go np as part of the process of aligning British agricultural prices with those of the Six. Given the promise of continued access for Commonwealth sugar which came out of the EEC negotiations, the Caribbaan producers could argue that a start he mada on lifting the CSA price towards tbe level paid to France's Caribbean Departments, Guadeloupe and Martinique. This ia $19.38 a 100 kilos, wbich works out at some £82 a long ton.

Recovery in silver after steep fall

By Our Commodities Staff

SILVER prices plunged again yesterday, with the London bullion spot price being cut by 2.8p to 55.8p a troy ounce, but the market finally rallied in the afternoon under the influence of a steadier tone in New York. As a result the London bullion price recovered to around 57p, 1.4p above the low but still well down oo the previous day.

The rally was based on the appearance of some trade buying and short-covering, In the New York market, whicb encouraged some furtber "bargain" hunting by speculators. But the undertone of the market remains extremely nervous on the possibility of a furtber wave of aelling developing if the buying support dries up.

The new low levels ace very close to the May 1967 levels, wben the U.S. Treasury gave up attempts to hold down silver prices at fixed level of 129.3 cents.

London hullion brokers, Mocatta and Goldsmid, in their August market report issued yesterday say current levels are cheap and an upward reaction is possible for this reason alone.

However, tbe report claimed that the intensive speculative interest (which took values up to $2.46 in June 1968) was hased on a mistaken view of the market. Stocks are sufficient to cover the much-advertised production/consumption gap for several years. Investors will require concrete evidence of declining secondary supplies before comiog in again.

Silvar's glamour as a precious metal and as a hedge against inflation had lost a great deal of credibility recently

Bigger cotton yield in U.S.

WASHINGTON, Sept. 8.

U.S. cotton production this year will amount to 10,952,400 bales (480-lb net weight), up from the initial August 9 forecast of 10,931,700 bales, accordiog to the USDA's Crop Reportiog Board.

This second forecast, as of September 1 was 8 per cent. above the 10,166,200 bales produced last year, and up from 1969 output of 9,990,000 bales. Reuter

Pakistan bids lift tea values

BY GODFREY BROWN

A FIRMER trend bas estahlisbed itself in world tea markets as a result of buying hy Pakistan. Civil war disruption bas dented the country's self-sufficiency in tea and forced it to turn to world markets.

A reduction in the total crop in the world's major exporting countries is also contributing to tbe trend. But the future level of prices is thought to depend largely on the sales pattern of North Indian teas which this week were auctioned in London in significant quantities for the first time this season, realising prices described as "very good for very good quality."

However, the dominant influence at the moment is the entry of Pakistan into the world market as a buyer of tea. Normally the country produces some 70-80m. lbs of tea—enough for its own consumption needs.

But since the trouhles, most tea estates in the country are apparently on a care and maintenance basis, and while the tea is growing it is not heing manufactured. As a result, trade estimates put the crop as low as 20-30m. lbs and to meet its needs Pakistan is having to resort to the world market to buy some 40-50m. lbs of tea.

Pakistan has been buying heavily in Colombo, and bas also apparently purchased tea from China and Mombasa. This Pakistan demand is pushing up the prices of the lower tea qualities, whicb in the past bave tended to pull down the general level of tea prices.

A side effect of the Pakistan situation, which is also pushing up prices, is that it is stimulating Indian purchases of tea for smuggling into Pakistan. The tea is apparently being bought officially for Afghanistan, but disappears en route there through Pakistan. Trade sources maintain that if Afghanistan consumed all the tea ostensibly bought on its behalf, its consumption would far ontstrip that of anywhere else in the world.

The effect of all this is to add to the buying competition, particularly for the lower quality teas, at a time when there is a general move upwards in tea quality from some of the producers that formerly supplied this market.

Meanwhile, tea crops in the world's main exporting countries this year are forecast to show a 20m. lbs drop on 1970 at around 819m. lbs.

The averages for the sales in London this week have not yet been calculated, but the latest anction figures sbow that prices are running above the corresponding week last year.

Quality teas in London this week were quoted at 70p a kilo, with medium at 44p and plain at 37p, but up to 82p was paid this week for good quality North Indian tea.

Fixed price for lead discussed

By John Edwards

PROPOSALS fnr the introdnction of a fixed producer price for lead, ontside the U.S., are nnderstood to have been discussed at a meeting of lead prodncers in London yesterday. But last night it was still unclear wbether any decision had been taken.

Although most producers would wclcome a fixed prodncer price—instead of selling at the fluctuating daily quotations on the London Metal Exchange—it is believed there are considerable diffecences of npinion as tn whether it would be workable.

Several big prodncers consider that a fixed price is impracticable for lead in view of the big proportion of supplies that come from scrap sources. These are, to a large extent, uncontrollable and unlikely to adbere to an agreed price level. It was acrap supplies that belped nndermine the copper prodncers' price in 1966.

In additinn, the relatively large number of lead prodncers make a fixed price mnre difficult tn enfnrce, although this problem has been overcome with zinc.

Despite tbe difficulties, the steady fall in the price of lead on tbe London Metal Exchange—down this week tn tbe lowest level for over three years—is creating considerable pressuce from some producers, especially tha Australians, fnr mnre stability.

A producer price nf £115 a ton has been mentioned. But other prodncers are anxious to avoid the charge that a fixed price is being introduced just as a device to lift values from their present depressed levels.

London sugar down to £41.50 a ton

By Our Commodities Staff

THE London daily sugar price was marked down by 70p yesterday to £41.50 a too, as concern over tbe increased quantity of sugar which may become available to the world market gathered strength.

Under the quota regulations of the International Sugar Agreemeot, exporting members must declare any shortfalls in their quotas by the end of the month. And unless prices drop below the 4 cents a pound level—equivalent to an LDP of around £41.30 a ton—a large part of these shortfalls is hound to be reallocated to exporters who still have sugar to sell.

Another notable decline was recorded in the cocoa market yesterday which added falls of £4.50 to £5.50 a ton to those of Tuesday, when losses of up to £8 were registered. Last night

Bumper cereal yields forecast

BUMPER yields of the three main cereal crops, in particular barley, are expecled from this year'a barvest according to preliminary estimates by the Ministry of Agriculture.

The Ministry's monthly report on agricultural conditions during August puts the harley yield at 29.6 cwt per acre—nearly 4 cwt an acre higher than last year, and more than 2 cwt an acre above the average of the past three years.

For wheat, the estimate is 33.4 cwt an acre, compared with last year's end-August figure of 33.1 cwt and the three-year average of 31.1 cwt.

Oats are also well up, with an estimated yield of 31 cwt an acre against 26.6 cwt last year and a three-year average of 28.2 cwt.

CARIBBEAN BAUXITE

Jamaica unimpressed by Guyana takeover

BY OUR KINGSTON CORRESPONDENT

THE enormous foreign investments in the bauxite and alumina industries in Jamaica and Guyana have always been subject to debate. The nationalists (especially those in the University of the West Indies) claim that these industries should be under local control since domestic resources are heing exploited. Tha conservatives feel that local expertise could not do as good a job as the foreign companies, but that continuing efforts should he made to get as mnch benefit as possible from what has heen called a diminishing capital asset.

So far there has been no way of telling which is right. However, with the recent nationalisation by Guyana of the Demerara Banxite Company, a wholly-owned subsidiary of Alcan, the next few years will provide a means of comparison. There was no official reaction by Jamaican Government officials to the announcement late last year that Prime Minister Burnham would nationalise DEMBA.

Bad name

Unofficial reaction bere was that Guyana was giving the entire West Indies a bad name and tbat foraign investors would he besitant to pnt their money into an area where nationalisation was taking place. At the same time, it was felt that the Guyanese would never be able to keep DEMBA in operation: local expertise wonld be insufficient, and there would be difficulty in securing foreign markets, even if the transport problem was solvad.

Jamaicans point out the fact that over the years there has been increasing investment in bauxite and alumina production, and that the couotry has benefited. Since 1969, the bauxite and alumina industries have been the largest contributors to the gross domestic prodnct. In 1970, the contrihution was £80m., or 16.8 per cent. of the total Capital expenditure increased from £11.2m. in 1966 tn £22.5m last year. Wages and salaries have more than doubled from £5.3m. to £11.5m., while the number of persons employed increased from 5,013 to 12,039. While the numbers employed are relatively low given the size of tha investment, the bauxite and alumina companies pay salaries which are about twice thosa paid in other sectors of the economy. Taxes and royalties paid to the Jamaican Government totalled £15.9m. last year, or over 10 per cent. of total revenue.

One reason for the increasing income to the country is the beavy increase in investments by existing companies operating bere, and several new companies. Alumina was first exported from Jamaica in 1952 by Alcan. This company has since expandad its two plants to 30 times their original outpnt.

Recently, a consortium of Reynolds, Kaiser and Anaconda invested some £75m. in an alumina plant which equals the output of hoth Alcan's plants. The plant is to be further expanded. Meanwhile Alcoa is nutting the finishing touches on an alumina plant and Revere expects to go into production shortly. It is estimated that after all the investments have been made, the total will be in the neighbourhood of £500m.

Altbongh Jamaica is the world's largest exporter of bauxite, the Jamaican Government has actively promoted investment in alumina prodnction since the Government gets more revenue from this. Recently the Government announced that a new tax arrangement had been negotiated with Reynolds wharehy tax revenue will be almost doubled. Jamaica will now be getting about £1 per ton. Similar agreements are also being negotiated with the rest of the companies. Last year Jamaica exported 11.8m. tons of bauxite; therefore, any increase of taxas on exports will mean considerably more revenue for the country.

There has been some talk that the Jamaican Government negotiated the increased tax after the nationalisation of DEMBA so as to shnw that efforts are heing made to get more out of the companies. But in fact these negotiations began some years before.

Under an early Jamaican law the bauxite mining companies are required to return land to the same state of productivity as when they acquired it. In July Prime Minister Hugb Shearer announced that agreement had been reached with the bauxite companies wherehy the mined lands would be made available for Jamaican ownership as aoon as possible. The bauxite and alumina companies bare are the island's largest land owners and this has given cause for concern. Not because the bauxite and alumina companies do not make good use of the land, but because of the growing need for good farming land.

Goodwill

Perhaps one of the reasons for the good relations which have existed between the bauxite and alumina countries and Jamaicans in general is that the companies realise they have certain obligations, and that by becoming involved in the local economy and aociety they will create goodwill.

This policy seems to have paid off, because the large majority of Jamaicans appreciate the economic benefits of this sector. Because of their large land holdings, most of the mining companies have gone into agriculture, not only as a means of making money, but also to improve agricultural methods in general. Several model farms and dairies have been established and the bauxite and alumina companies have brought in experts. Training programmes have made it possible for Jamaicans to hold key positions within the local companies.

On tha whole Jamaica feels it has obtained a pretty good deal from the bauxite and alumina companies, and that Guyana was being exploited by DEMBA it was Guyana's fa[illegible]

Guernsey flower export switch opposed

BY OUR OWN CORRESPONDENT

ST. PETER PORT, Sept. 8.

A SECTION of Guernsey's £4m. a year flower-growing industry is to oppose a plan which it believes will torpedo the established export links with the U.K. by rail and air.

Local executives of the carriers involved to-day confirmed they had been told that their services would probably not be required from October onwards.

By then it is anticipated that a new statutory body—the Guernsey Flower Transport Authority—will have been established with wide legal powers over exports. Enabling legislation for the authority was approved earlier this year hy the Guernsey Parliament. Final implementatinn will come when a series of ordinances are passed by local MPs.

It is being claimed that a proper transport authority would save growers at least some £290,000 a year by eliminating pilferage, damage and late deliveries.

However, as a result of the disclosure of the proposal—said to involve handing over a monopoly contract to tha French company, Rousseau Aviation—supporters of the Flower Authority clearly have a fight on their hands.

One grower, Mr. W. Duquemin, said he thought existing carriers had been treated shabbily and some growers were worried about secrecy surrounding the cha[illegible]

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Lost further ground on the London Metal Exchanges. Prices were depressed hy stop-loss selling although some short-covering helped to cushion the fall. After falling to £445, however, forward metal rallied to close at £447½ on the late Kerb under renewed sbort-covering, some of which was thought to be on U.S. account. Also a dampening factor was the possibility that one major Japanese metal producer might be about to reduce its work force by around 10 per cent. Turnover 12,725 metric tons.

Henry Gardner and Co reported that in the morning cash wirebars traded at £439.5, 39, 38, 36.5 mid-Sept. £438, late Sept. £441, early Oct. £442.5, three months £450 to 47, 47.5 Cathodes: cash £428, three months £435. Kerb: Wirebars: late Sept. £440, mid-Nov. £446, 47, three months £48 10 48.5, cathodes three months £435.5. Afternoon: wirebars: cash £435, late Sept. £438.5, 38, early Oct. £438 three months £446 to 44.5, 45. Kerb Bars: cash £436.5, 36, 37, late Oct. £440.5, three months £445 to 47.5. Cathodes: late Oct. £429.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Wirebars				
Cash	438-.5	—5.5	435-.5	—7
3 months	447.5-8	—5.5	444.5-5	—7
Settlem't	438.5	—5.5	—	......
Cathodes				
Cash	425.5-5	—3	422.5-3.5	—5.75
3 months	435-.5	—5.75	432.5-3.5	—5.25
Settlem't	426	—3	—	......
U.S.Smt.	—	......	52.75-53	......

TIN—Closed higher. Buying, thought to be on U.S. account and which in turn prompted short covering, rallied prices from the recently lower levels. Turnover 213 tons.

Morning: late Oct. £1,428, mid-Nov. £1,432, three months £1,432, 33. Afternoon: cash £1,421, 22, 24, three months £1,434. Kerb: three months £1,436.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	1420-1	+1	1423-5	+6.5
3 months	1432-3	+1.5	1435-6	+5
S'ment	1421	+1	—	......
Straits E.	1449.41	+4.04	—	......
New York	—	......	*166.38	—1⅛

LEAD—Firmer. In improved two-way trading, prices staged a modest recovery helped by good buying of forward metal from one quarter in the morning. Cash metal rallied in sympathy. Turnover 7,100 tons.

Morning: cash £97.25, mid-Sept. £97.5, three months £99.75, 100, 100.25, 100.5, 100.25. Kerb: three months £100.25, 100, 99.75. Afternoon: cash £97, three months £99.75, 100, 100.25. Kerb: three months £100, £100.25, 100.5.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	97.25-.5	+.25	97-.25	+.5
3 months	100.25-.6	—.25	100.25-.5	+.5
S'ment	97.5	+.25	—	......
N.Y. Spot	—	......	*14-14½	......

ZINC—Down again. Despite buying from the same quarter that was active in lead, prices continued to fall in thin trading. Turnover 3,375 tons.

Morning: cash £127.5, 27, three months £130.5, 30.25. Afternoon: cash £127, 26.75, mid-Sept. £126.75, three months £130, 29.75. Kerb: three months £129.5.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	126.75-7	—1.5	126.5-.75	—1
3 months	130-.25	—1.75	129.5-.75	—1.25
S'ment	127	—1.5	—	......
E St. Louis	—	......	17.00	......

* Cents per lb. † On previous unofficial close.

SILVER

Silver was fixed 2.8p an ounce lower all-round in the London bullion market, with spot at 55.8p (137.2c), its lowest since May, 1967. A heavy speculative business was done, with the spot price ending about 0.9p above the fixing level.

SILVER (per troy oz.)	Bullion fixing (selling) prices	+ or —	LME close	+ or —
Spot	55.8p	—2.8	56.7p	—1.75
3 months	56.8p	—2.8	57.6p	—1.85
6 months	57.8p	—2.8	—	......
7 months	—	......	59.5p	—1.85
12 months	60.0p	—2.8	—	......

LME—Turnover 153 (138) lots of 10,000 ozs. Morning: Cash 55.9p, early-Dec. 56.9p, three months 57p, 56.8p. Kerb: Three months 56.8p, 56.9p. Afternoon: Three months 57.1p, 57.2p, 57.3p, 57.6p, seven months 59.4p. Kerb: Early-Dec. 56.1p, three months 57.7p, 57.9p, 58p, 58.3p.

COCONUT OIL

Quiet and untraded, reports G. W. Joynson. Close: Sept., Nov., Jan., March, May, July, Sept. £109-£119 (same). Turnover 0 (0) lots of 20 tons each. Price basis ex-tank Rotterdam.

COTTON

LIVERPOOL—Spot and shipment sales amounted to 91 metric tons bringing the total for the week to 3,684 tons, reports F. W. Tattersall. Activity was severely curtailed after the recent improved spinner interest.

LONDON FUTURES—Unchanged, reports Eccles and Stern. Oct., Dec., March and May 30.40-30.80 new pence per kilo (unchanged). July unquoted. Turnover 0 (0) lots of 10,000 kilos each. Strict middling 1 1/16 inch. Pressley 75,000 lbs square inch micronaire 3.5-4.9.

FREIGHTS

BAY CARGO—Grain shippers paid $9 free discharge for a cargo from Toledo to Lisbon and Leixoes for Sept. loading and $4.60 f.d. overnight for a cargo from the U.S. Gulf to Japan for Sept. Coal charterers were reported to have fixed a cargo from Hampton Roads to the Continent at $2.10 f.d. for Oct. while in the ore section business developed from Dampier to the Continent at $2.75 f.i.o. for Sept., subject stem. A rate of $5.60 was firmly indicated for pig iron from East Coast India to Japan while a urea cargo was available from Ulsan to India at $7.75.

OIL TANKERS—Quiet again but with the market depressed by several million tons of Japanese fuel tonnage hanging over the trade. A prompt 80,000-tonner was taken from Persian Gulf to Japan by Japanese charterers at Worldscale 30 and a 72,000-tonner was fixed in mid-Sept. from Persian Gulf to Spain by Spanish charterers at W.36½.

COCOA

The market continued the easier trend of recent days. Tired long liquidation seemed to be the main selling factor, but shipment cocoas were still sparsely traded reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
No2Contract			
September	220.0-2.6	—5.5	223.0-4.5
December	229.5-30.0	—5.5	229.5-33.5
March	235.0-5.6	—5.5	234.5-7.0
May	238.5-9.0	—5.5	238.0-40.0
July	242.0-2.5	—5.0	242.0-3.5
September	245.5-6.0	—5.0	245.5-7.0
December	250.5-1.5	—4.5	250.5-1.0

Sales, 6,546 (7,335) lots of 5 tons each.

COFFEE

Trading interest improved slightly during the day with mixed interests evident on both sides. But the volume of business remained small.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per ton		
September	387.5-8.0	+0.5	387.5-8.0
November	359.5-60.5	—0.25	360.0-0.6
January	356.5-6.0	—0.5	356.5-6.5
March	352.0-2.5	—0.5	352.0-3.0
May	349.5-50.0	......	349.5-50.0
July	347.0-7.5	—0.5	—
September	344.0-4.5	—0.6	344.5-5.0

Sales: 185 (233) lots of 5 tons each.

Latest published ICO indicator prices (U.S. cents per pound). Colombian Mild Arabicas 48.66 (same). Other Milds 45.00 (same). Unwashed Arabicas 42.25 (same). Robustas 42.01 (42.07). Daily average 43.59 (43.61).

RUBBER

LOWER at the opening, ruled idle throughout the day and closed quiet but steady. Lewis and Peat reported a godown price of 97.25 Malayan cents a kilo (buyer, September).

Contract	Previous Day's Business	12.45 p.m. Official prices	Closing buyers prices	Rise or fall
C.I.F.	p	p	p	p
Sept.	not avail.	13¼*-½*	13.25*	—0.15
Oct.	not avail.	13½*-¾*	13.55*	—0.15
Nov.	not avail.	13.9-14.2	13.8	—0.1
Landed				
Spot	—	13.75-14.1	13.85	—0.05
Oct.	—	14.05-.3	14.1	—0.1
Nov.	—	14.55-.75	14.6	—0.1
Dec.	—	14.95-15.2	15.0	—0.1
Oct.-Dec.	14.65-.7	14.55-.75	14.6	—0.1
Jan.-Mar.	15.65	15.45-.55	15.5	—0.1
Apr.-Jne.	—	16.45-.6	16.5	—0.1
July-Sept.	17.32	17.35-.45	17.4	—0.1
Oct.-Dec.	17.85	17.75-18.0	17.8	—0.1
Jan.-Mar.	—	18.4-.6	18.25	—0.3
Apr.-Jne.	—	18.65-.85	18.65	—0.15
July-Sept.	—	18.85-19.5	18.95	—0.15
Oct.-Dec.	—	19.2-.4	19.2	—0.15

* Nominal.

Malayan thick crepe Oct. 19.6* (seller). Ceylon thick crepe Oct. 21.1 (seller).

GRAINS

THE BALTIC—U.S. corn prices were marked lower following the latest private estimate of the U.S. crop and a limited tonnage sold for December shipment to East Coast U.K. Meanwhile, small quantities of optional denatured feed sold for prompt shipment to South and West Coast ports.

Wheat: Canadian Western Red Spring No. 1 13½ per cent. protein Sept. transhipment £31.25 seller East Coast, U.S. Red Winter No. 2 Sept. transhipment £28.20 seller East Coast, U.S. Hard Winter No. 2 13½ per cent. Oct. transhipment £29.10 seller East Coast, Australian f.a.q. Oct.-Jan. transhipment £27.50 free out Tilbury. French Sept.-Dec. £25.000 quoted.

Maize: No. 3 Yellow American Oct. £24.55 seller Tilbury.

MARK LANE—Average sellers quotations per long ton for prompt delivery London area:—Wheat—soft milling £24.50-£25.00: Semi-hard and Hard unq: Feed £24.00-£24.50. Barley—Malting £27.00-£32.00 as to quality: Feed £23.00-£23.50 nom. Oats—Milling £21.50-£22.00: feed £20.00-£20.50 nom.

LONDON HOME GROWN FUTURES—[illegible]

SOYABEAN OIL

Untraded, reports G. W. Joynson.

[illegible]

SUGAR

LONDON DAILY PRICE—Lower at £41.50 (£42.20) a ton c.i.f. for Sept.-Oct. shipment.

[illegible]

SUNFLOWER OIL

Quiet, reports G. W. Joynson.

[illegible]

JUTE

DUNDEE—[illegible]

GRIMSBY FISH—[illegible]

WOOL FUTURES

MERINOS—Tops: Nears portions lower, distants unchanged, greasy generally unchanged to lower, dull and featureless, reports Bache.

(New pence per kilo)

[illegible]

MEAT/VEGETABLES

[illegible]

PRICE CHANGES

Prices per ton unless otherwise stated.

[illegible]

INDICES

FINANCIAL TIMES

[illegible]

REUTER'S

[illegible]

DOW JONES

[illegible]

MOODY'S

[illegible]

U.S. Markets

NEW YORK, Sept. [illegible]

SUGAR continued lower reflecting re[illegible] of quota cuts and expected deliv[illegible] against October. Additional liquidatio[illegible] old speculative longs again dere[illegible] Silver. Better manufacturer and [illegible]

[illegible]

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American News

U.S.-Soviet talks on sea code

WASHINGTON, Sept. 8.

THE UNITED STATES and the Soviet Union will start talks next month aimed at avoiding naval collisions and incidents, the State Department announced to-day. State Department spokesman Mr. Charles Bray said it was the first time since World War II that the two nations had agreed to talks about reducing frictions involving the activity of their forces.

In addition to collisions between ships, Mr. Bray said that the talks would cover overflights by aircraft. Both sides shadow ships by air and sea. "We do not expect the talks—beginning on October 12—to end in a formal agreement but rather an informal understanding between the two nations," Mr. Bray said.

Mr. Bray said that more than 100 incidents involving ships of the two nations had been reported over the years. One of the most recent was a collision between the Soviet tug Diomid and the U.S. destroyer Hansen in the Korean straights on May 6, 1971.

Reuter

Giscard arrives in Brazil

By Our Own Correspondent

RIO DE JANEIRO, Sept. 8.

FRENCH Finance Minister Valéry Giscard d'Estaing arrived here early this morning for four days of talks with top level Brazilian Government and business leaders. He was accompanied by M. Maurice Schologel, the director general of Crédit Lyonnais.

After a meeting with President Garrastazu Medici, who is in Rio following yesterday's independence day parade and celebrations, M. d'Estaing continued to Sao Paulo with Finance Minister Delfim Netto, where to-morrow morning he will open the French industrial fair in Anhembi Park.

He will meet other Government and business leaders on Friday, including the Minister for Commerce and Industry, Sr. Marcus Pratini de Moraes, and Sao Paulo state governor, Sr. Laudo Natel.

RUSSIA INVITES PERU MINISTER

LIMA, Sept. 8.

PERU'S Fisheries Minister General Javier Tantalean will visit the Soviet Union in November as a guest of the Russian Government.

Sr. Tantalean told newsmen he will talk with Russian officials about final details of the fishing complex to be built in Northern Peru with Russian financial help.

AP

Connally forecasts budget deficit of $27,000m.

WASHINGTON, Sept. 8.

U.S. TREASURY Secretary John Connally to-day forecast a budget deficit of between $27,000m. and $28,000m. in the 1972 financial year ending next June 30. This compares with a deficit of $23,242m. for the 1971 financial year and $2,845m. for the 1970 financial year.

Mr. Connally, appearing before the House of Representatives Ways and Means Committee, said he was making the 1972 forecast reluctantly because the deficit would be much greater than he had hoped.

Mr. Connally was answering questions after he had appealed for swift congressional action on President Nixon's tax reform package announced on August 15.

He said the proposed tax reforms—a 10 per cent. investment tax credit for industry, the repeal of a seven per cent. excise tax on cars and the advance by a year to next January 1 of a $50 increase in personal tax exemptions—did not represent a bonanza for business, as claimed by certain trade union leaders.

"This carefully-balanced programme will be seriously impaired if any of its important parts are not enacted," he said.

Surcharge

He told the Committee that Mr. Nixon's tax credit for industry was the key element in the overall tax programme. The scheme should increase the number of jobs, increase production and improve competitiveness in world markets, Mr. Connally said.

President Nixon's 10 per cent. surcharge on imports was being administered without any unforeseen hitches, the Treasury Secretary added.

Asked why the Administration had chosen not to freeze interest rates together with wages and prices for 90 days, Mr. Connally said this would in fact put a floor under money costs. At the same time, Mr. Connally stressed during questioning that there was no reluctance on the part of President Nixon to curb an upward movement in interest rates if this should prove necessary.

The Ways and Means Committee, led by Arkansas Democrat Wilbur Mills, has the first congressional say on all tax legislation. Mr. Mills has described the Nixon package as an excellent one but he has indicated that he may seek more relief for poor families.

After appearing before the committee for more than two hours, Mr. Connally declared himself optimistic that the President's programme would be endorsed by Congress. But he added that it was too much to hope that it would go through precisely as proposed.

Reuter

Canadian companies may get two-thirds relief

BY OUR OWN CORRESPONDENT

OTTAWA, Sept. 8.

THE MAXIMUM federal grant to a Canadian company hit by the U.S. 10 per cent. import surcharge will be two-thirds of the surcharge on that company's total exports to the U.S., based on 1970 levels, Industry Trade and Commerce Minister Jean-Luc Pepin explained in the House of Commons yesterday as he introduced the legislation to help such companies. The Bill's main object is to ease unemployment and labour dislocation caused by the U.S. Government's economic moves. Details became public when it received its first reading and was given the unanimous support of the opposition. The Bill establishes a fund of $C80m. from the Federal Treasury for subsidies to be paid to affected industries.

Mr. Pepin said "The programme requires the manufacturer to bear a part of the burden of the surtax. In our view it would not be a responsible step for the Government to offset the full effect of the surtax at the public expense. There are risks in export trade and our producers are aware of such risks."

The legislation was intended to be temporary and the assistance would cease when the U.S. removed the surcharge. But it would remain on the statute book as enabling legislation to be invoked in similar circumstances in the future, said Mr. Pepin. He added that it was the view of the Canadian Government that it should be in a position to act promptly whenever foreign countries restorted to restrictive measures affecting Canada's exports.

The $80m. provided by the Bill is expected only to last until the end of the current fiscal year, in March. The eligibility of an industrial plant for assistance will be determined by: first, the likelihood that the surcharge will cause significant labour layoffs; secondly, at least 20 per cent. of the plant's production during 1970 must have consisted of exports now subject to the surcharge; and thirdly, the company assisted must undertake to maintain employment and production at a satisfactory level.

The 7-man board, the Employment Support Board, to administer the programme will consist of four civil servants and three non-Government employees. The chairman will be one of the non-Government representatives.

AP adds: Finance Minister Mr. Edgar Benson said the Canadian Government was giving "intensive consideration" to adopting more measures to counter the effects of the 10 per cent. surcharge. Without mentioning what the other measures were the Finance Minister told Parliament: "We won't hesitate to bring forward such measures if they are warranted."

Freeze hits life insurance

By Nicholas Colchester

NEW YORK, Sept. 8.

AN UNFORESEEN side effect of the three month wage and price freeze imposed by the Nixon Administration has been a marked slow down in the sales of life and health insurance policies and pension schemes.

This has occurred because a large proportion of the premiums on these types of policies flow from those of the group type—when an employer takes out a single policy to cover a number of employees—and the authorities enforcing the freezes have ruled that if the cost of such policies is borne by the employer as a "fringe benefit" it is equivalent to a salary fillip and may thus not increase during the freeze period. The result has been a virtual halt in the sale of new group policies, which last year accounted for well over half of the new premium incomes won in the health life and pension fields.

Dr. Diederichs blames the U.S.

PRETORIA, Sept. 8.

SOUTH AFRICAN Finance Minister Dr. Nicholaas Diederichs has accused the U.S. of being forced into suspending the convertibility of dollars into gold through its own economic mismanagement.

In his most severe criticism yet of U.S. economic measures since the new dollar-gold crisis blew up last month, he accused the Nixon administration of plunging the world into economic "darkness and uncertainty."

The Finance Minister of the Western world's largest gold producer also repeated his call for an increase in the dollar price of gold when he spoke at a German - Afrikaner students society meeting here last night.

Reuter

BP applies for Peru concession

By Adrian Hamilton

BRITISH PETROLEUM has applied for a concession agreement in Peru. According to a statement issued by the Peruvian Ministry of Energy and Mines in Lima yesterday, a proposal put to the Government by the company had been "well received."

The concession sought is thought to cover substantial acreage on-shore and the terms, according to the Ministry statement, would have to be similar to those recently signed by Occidental Petroleum for 1m.-hectare area in the Northern jungles.

Under this, Occidental has agreed to a minimum exploration programme for three years and, if oil is found, to share production 50-50 with the Peruvian State oil company, Petroperu.

BP's application for a Peruvian concession comes at a time when the Government there has announced a policy of encouraging foreign investment in oil in an ambitious effort to make the country self-sufficient in hydrocarbons.

In 1968 the Government nationalised the International Petroleum Corporation—part of the Esso group. Following a drop in oil exploration, however, and increasing resort to imports, the Government reorganised its State oil concern last year and developed an extensive exploration programme concentrating on the extreme North towards Ecuador and Colombia and off-shore Talara.

THE U.S. DOCK STRIKE

Neither cooled-off nor frozen

BY GUY DE JONQUIERES

MR. GEORGE MEANY, the irascible boss of the AFL-CIO, has succeeded in capturing a lot of the headlines recently by the petulant and belligerent criticisms of President Nixon's economic programme which have been pouring forth from his office in Washington. But on the other side of the United States, the labour movement's hero, or villain, of the day—and of every other day for the last two months—has not been Mr. Meany but a somewhat less flamboyant figure named Harry Bridges.

Mr. Bridges is the President of the International Longshoremen's and Warehousemen's Union, which represents dockworkers on the West Coast. Since July 1, he has been leading his 15,000 members on a strike which has crippled every major Pacific port in the U.S., from Seattle in Washington State to San Diego in southern California. In the 70-odd days since the strike began, the only cargoes going through have been military material for Vietnam and emergency supplies for Alaska and Hawaii. The only two ports still open on the coast—Vancouver and Enseneda — have been swamped by diverted traffic, while the Pacific shore is starting to look like a floating cemetery for freighters waiting to offload.

The impact of the ILWU walkout is now being felt deeply in the three Pacific coastal states and as far inland as Denver, Colorado. It has also created major problems for the insular economies of Alaska and Hawaii. Imports of cars, electronics and consumer goods from Japan are now nearing the point of exhaustion. With stockpiles at rock-bottom, at a moment when most retailers are starting to build up inventories for the Christmas season.

Losses

From the American point of view, the effect on exports has been even more serious. Citrus growers in Arizona and California estimate they have lost $3m. of business so far, while the wheat harvest in the West and Great Plains states—of which two-thirds is normally exported—is on the verge of turning rotten. The port stoppage has also started to cause redundancies in exporting industries and there is a widespread concern that many overseas markets, once lost, may never be regained. Finally, too, the revenue losses to port authorities—estimated at as much as $500,000 a month in some of the larger ports—are causing fiscal headaches to city governments.

All this would have been bad enough at any time, but the ILWU strike has taken on a special significance, for several reasons, in the light of President Nixon's economic package. In the first place, it is clearly jeopardising the hoped-for economic recovery in large areas of the country and its effects are expected to linger on for several weeks after a settlement. It is also complicating the job of economists in Washington by distorting economic indicators. It will be impossible to assess accurately the consequences of the 10 per cent. import surcharge for the balance of trade, for example, so long as the strike effects are being felt, and unemployment and inflation are equally unlikely to respond to Mr. Nixon's prescription in the western part of the country.

When Mr. Bridges led his negotiating team back to the bargaining table last week for the first time since the ILWU contract expired on June 30, he breathed political significance into the stoppage by warning Mr. Nixon that his union was not prepared to forgo a wage increase under the wage-price freeze. A settlement could only be reached if the Administration were prepared to exempt any new contract from the zero-wage growth regulations of the Cost of Living Council.

There is no reason to doubt that Mr. Bridges means what he says. He has kept his members out for more than the 60 days which, he says, it takes for "things to tighten up enough to get down to real bargaining." From here on, a prolonged strike can only work in his favour vis-à-vis the management. But it presents the Nixon Administration with the first real challenge on a specific bargaining issue since it began rigorously enforcing the freeze. To allow the ILWU an exemption would make a mockery of its strict rulings on other union contracts and might well destroy the credibility which it has been working so hard to foster for its policies.

Looking only a little further ahead, the extension of the ILWU strike for another month, which is entirely possible—its last stoppage in 1948 lasted 95 days—raises the sombre spectre of a total shutdown of every working port in the U.S. The master contract between the port authorities on Atlantic and Gulf coasts and the International Longshoremen's Association expires on September 30, and there is a high probability that a strike will result. The only round of contract talks so far between the ILA and the port authorities broke down after two days, and when the bargaining gets going again the ILA is certain to be every bit as resistant as its West Coast counterpart to the wage freeze regulations.

While the wage-freeze question has turned the settlement of the West Coast strike into a sticky political issue, the most obdurate stumbling-block on the way to an agreement still has to be settled inside the bargaining room. Since the talks began, their progress has been dogged by the failure to resolve a jurisdictional dispute over containerised cargoes, which has put the ILWU at loggerheads not only with the Pacific Maritime Authority, which represents the employers, but also with a fellow-union.

The essence of the problem lies in who is responsible for stuffing and handling container cargoes. Historically, cargo loading has always been done by the Longshoremen at the dockside. But the growth of containerisation has led to an encroachment by other unions, notably the Teamsters. A container can, and usually is, filled at places other than the dockside, and the Teamsters claim that its transportation to the dock and loading aboard ship lies within their jurisdiction. The ILWU, on the other hand, is pressing for the inclusion of a contract clause requiring that all container traffic, from whatever origin, be loaded at the dockside by its members.

Both the Teamsters and the PMA have said they would be willing to submit the issue to arbitration. But the ILWU is stoutly resisting any such move. Since the talks resumed last week in an atmosphere of great secrecy, there has been no indication that the deadlock is near to being solved.

Record

The continuation of the strike has brought increasingly urgent demands from governors in the Western states for action by the Federal Government, specifically the invocation of the Taft-Hartley law, which enforces an 80-day "cooling-off" period in industrial disputes. But the only step that President Nixon has taken to date is to dispatch a member of the Federal Mediation and Conciliation Board to San Francisco: his one initiative, an attempt to convene a meeting of the interested parties to discuss the economic impact of the strike, collapsed when Mr. Bridges kept the ILWU out.

The Secretary of Labour, Mr. James Hodgson, has said that he does not favour the use of the Taft-Hartley Act because the strike has not yet taken on the character of a "national emergency." President Nixon is also understood to oppose it because of its failure to prevent an East Coast stoppage in 1968: after being sent back to work compulsorily for 80 days, the ILA dockers went on strike for a record 113 days. The ILWU is also, understandably, opposed to recourse to the Act, because the return to work would revive the cash flow of the employer companies and thereby weaken the bargaining position which the union has built up over the past two months.

There is some hope that the resumption of the contract negotiations in San Francisco may result in a settlement of the jurisdictional issue, after which the other contractual problems could be expected to fall into place. Mr. Nixon will then almost certainly be faced with a difficult challenge in making his strictures on wages stick. But if no settlement is reached soon, and if a strike breaks out on the Atlantic and Gulf coasts as well, he will be forced to abandon his detached attitude in short order and set about enforcing a solution of his own making.

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Repayment of the balance, that is U.S.$682,000 shall be by drawings in the presence of a Notary.

Bonds listed below will be redeemable at par, coupon at 1.4.1972 and ex-div. from 1.10.1971.

65	2146	3627	5365	6803	8084	8653	9600	11495	13261
69	2149	3831	5586	6825	8080	8660	9501	11572	13271
72	2201	3860	5567	6829	8087	8700	9503	11593	13272
109	2212	3892	5588	6830	8088	8711	9639	11594	13318
124	2215	5912	5597	6831	8089	8738	9684	11887	13330
131	2260	3924	5612	6832	8090	8745	9670	11022	13344
220	2309	3942	5636	6833	8091	8703	8706	11627	13398
221	2335	3943	5637	6843	8092	0770	8711	11565	13397
225	2473	4001	5639	6863	0093	8777	9729	11006	13369
337	2488	4006	5676	7000	8094	8778	9730	11067	13401
058	2559	4038	5677	7050	8095	8778	9731	11868	13402
345	2540	4090	5670	7086	8096	8780	9732	11097	13403
502	2501	4145	5790	7087	0101	0782	9735	11704	13404
505	2574	4188	5841	7888	8102	8804	9759	11807	13405
507	2578	4228	5891	7089	8104	8818	9740	11921	13450
520	2024	4229	5892	7093	8105	8820	9784	11930	13487
680	2625	4287	6057	7106	8105	8873	9764	11988	13475
680	2641	4295	6087	7167	8202	8686	9799	12035	13484
694	2642	4305	6099	7173	8288	8958	9857	12037	13510
700	2643	4324	6129	7174	8309	0959	9914	12076	13081
701	2675	4392	8130	7238	8330	8900	9919	12097	13099
717	2687	4394	6206	7248	8307	0961	9920	12098	13001
718	2732	4385	6217	7247	8338	0962	9921	12099	10803
811	2785	4427	6218	7207	8349	8963	9922	12100	13846
812	2852	4468	0219	7268	8400	0964	9923	12157	13847
813	2865	4493	6220	7209	8408	8965	10022	12158	13848
014	2937	4573	6221	7270	0449	0976	10025	12159	13849
815	2977	4626	6222	7271	8450	0996	10037	12178	13058
816	2901	4049	6223	7272	8451	8997	10039	12179	15851
817	0084	4673	6224	7273	8452	8998	10140	12180	13852
810	5149	4682	0225	7310	8453	9008	10218	12181	13865
920	3182	4083	6226	7366	8454	9055	10217	12182	14015
907	3103	4820	6227	7412	8455	9104	10233	12183	14037
069	0184	4822	6228	7428	8406	9160	10422	12185	14032
188	3185	4825	6229	7447	8457	9107	10504	12186	14035
109	3185	4831	6230	7448	8470	9170	10537	12195	14045
148	5196	5090	6231	7487	8500	9198	10558	12185	14091
179	5197	5099	0232	7589	8501	9199	10554	12198	14140
100	3188	5152	6233	7599	8514	9200	10500	12197	14500
194	3199	5156	6234	7000	9515	9221	10867	12348	14309
195	0200	5219	6235	7607	8518	9230	10620	12359	14393
257	3201	5222	0236	7608	8517	9234	10786	12397	14402
270	3202	5292	6237	7609	8510	9283	11815	12414	14422
393	3205	5293	6238	7610	8519	9284	11036	12423	14452
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521	5529	5400	6240	7612	0521	9293	11050	12458	14465
522	3330	5422	6241	7673	0522	9294	11080	12480	14470
523	3051	5427	6242	7659	0529	9367	11089	12538	14512
524	5302	5474	0243	7717	8532	8411	11115	12016	14515
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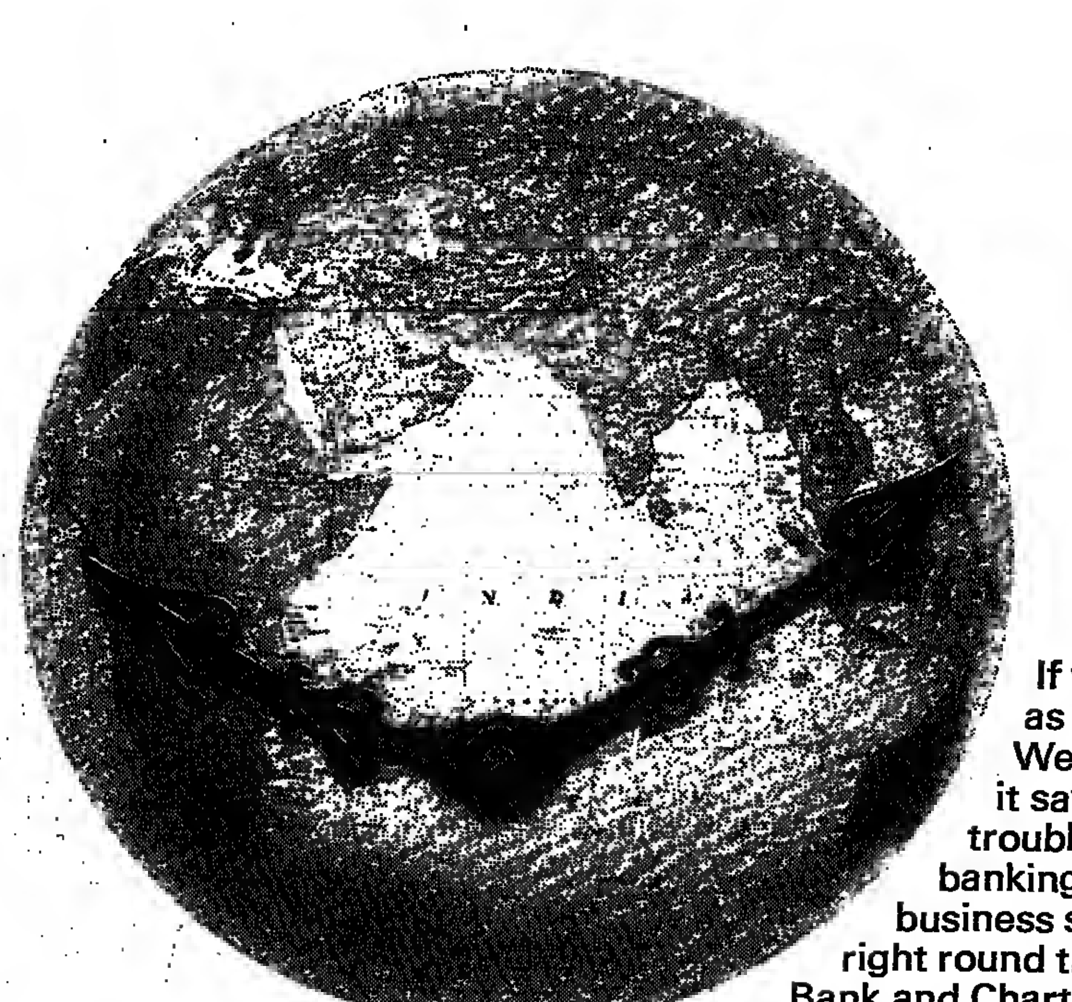

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Export News

LICENSING

Japanese link for Airscrew

SASAKURA ENGINEERING Company of Japan said yesterday that it had reached agreement with Airscrew Fans to obtain Airscrew's technology on production of inert gas injection systems for oil tankers.

Sasakura is expected to produce about 30 systems a year, beginning in January 1972.

Under the agreement, Sasakura has obtained exclusive sales rights in Japan and most of Asia, the officials said.

The company said the ten-year agreement called for an initial payment of 4m. yen and royalties totalling "more than" 5 per cent. of sales.

South German trade push

A 20-page booklet describing the trade drive to be held in Southern Germany in 1972-73 has been published by the Department of Trade and Industry.

The trade drive will concentrate on 11 categories of capital equipment and the booklet contains an outline market assessment for each category. The booklet is being distributed via Chambers of Commerce, trade associations and to companies direct. Copies can be obtained from Information Division, Department of Trade and Industry, Room 555, 1 Victoria Street, London S.W.1, telephone 01-222 7877 Ext. 2580.

THE THIRD WORLD—YEMEN

Tarmac in £7m. Anglo-German highway scheme

BY DAVID CURRY, EXPORTS EDITOR

A *£7M. CONTRACT* has been awarded to an Anglo-German consortium by the Government of the Yemen Republic to upgrade and realign the Sana'a to Taiz highway (256 km). It includes extensions to the Sana'a airport. The contract is to be financed by the West German Government and paid for in Germany.

The consortium is sponsored by Dr. Ing. Trapp and Company Construction GmbH, although Tarmac Construction of Wolverhampton will have the largest financial interest (40 per cent.) and will be the co-ordinating contractor. The third partner will be E. Heitkamp GmbH.

Tarmac has just finished a £3m. hospital in Jordan and is working on a £1m. port development at Sharjah, a £1m. airport apron for Jumbo jets at Bahrain, oil installations on Das Island and water exploration in Abu Dhabi.

INDIA

Hospital call system

MULTITONE Electric Company is claiming a breakthrough in the Indian market with an £11,000 order for a paging system to be installed in The Christian Medical College and Hospital at Vellore in Southern India. The equipment has been donated by the Friends of Vellore in the U.K. through a gift from the German Churches. It is the company's *first* sale to India.

The hospital boasts 1,100 beds *and a staff of* about 400 doctors. It is affiliated to the University of Madras and has an annual intake of 60 students.

The paging system will initially incorporate 200 pocket receivers with a capability of later expansion to 240 units. A doctor carrying the system will be "bleeped" when he is wanted.

The system also incorporates a group alert unit for calling the 12-member Cardiac Arrest Team in emergencies.

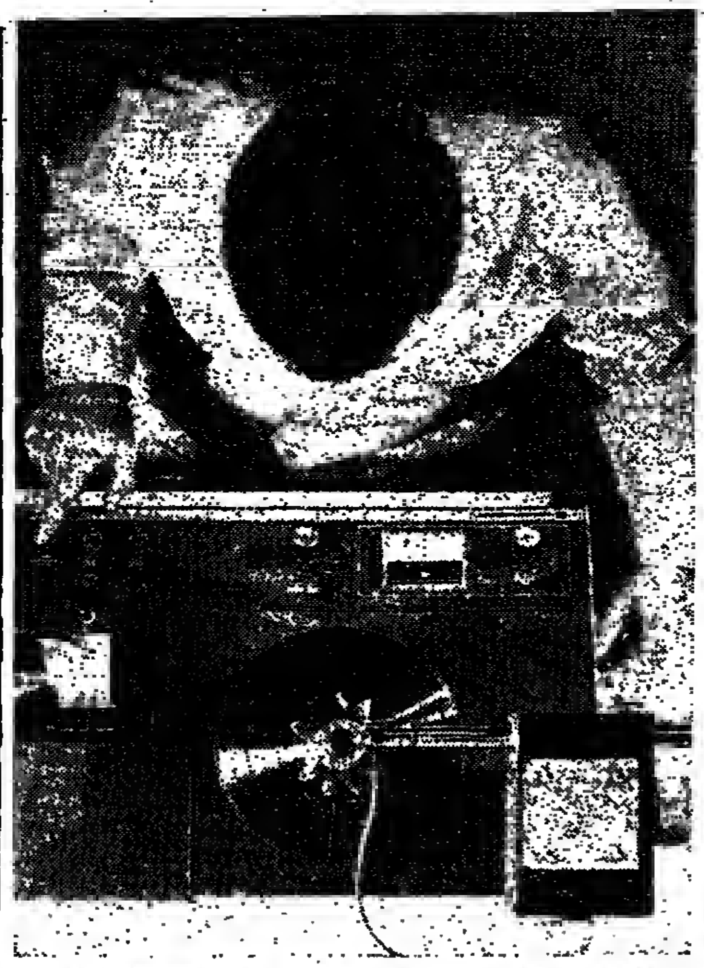
Multitone claims 30 per cent. of the world market for on-site pocket paging equipment.

INDONESIA

Nitrogen plant deal

AIR PRODUCTS has been awarded a £150,000 contract to build a cryogenic nitrogen plant in Indonesia. The order—the first of its type to be won by Air Products in Indonesia—was placed by Bechtel International on behalf of PertaMina and calls for the design, manufacture and construction of a high purity nitrogen plant at the Puldja, Pallembang oil refinery of PertaMina.

An important factor determining the placing of the contract was the speed with which the on-stream nitrogen was required. Air Products agreed to bring the plant on stream at the Indonesian refinery site only 12 months after the order was placed.



A Talyrond instrument, part of a £75,000 order for Rank Precision Industries for the USSR, measures the roundness of a gear in millionths of an inch at the company's Leicester testing laboratory. The contract, placed by Stancoimport, includes Talysurf instruments to measure surface roughness. These are able to gauge the roughness of a single human hair.. The machines are destined for the automobile, bearing and machine tool industries to be used in quality control.

London Chamber sets up business travel office

BY DAVID CURRY

THE London Chamber of Commerce and Industry has set up a Trade Promotion Department to run business travel schemes and to increase its activities in *overseas exhibitions*. The new department will build on the Chamber's existing programme of joint-ventures with the Department of Trade and Industry.

The plans for business travel are based on three types of scheme: affinity travel, where members of the Chamber of more than six months' standing travel on scheduled flights; package tours *(ITX)*, where members travel out together and have hotels and appointments booked for them by the Chamber; and businessmen's groups, similar to package tours, but with a fixed number of participants and a complete *programme*.

So far, 2,000 companies have indicated an interest in the Chamber's travel schemes and a full programme *will be* announced shortly. Areas of particular interest have been Japan, Australia, North America and Africa. *It is also* planned to introduce a regular programme of visits to major trade fairs and exhibitions around the world.

The package tours are to be organised in conjunction with the travel offices and trade organisations of the countries involved.

Building society cuts dividend

THE City of London Building Society is reducing its dividend to investing shareholders by ¼ per cent. from October 1.

It has maintained a 5¼ per cent. rate—¼ per cent. higher than most building societies pay—for two years.

The society is a member of the Building Societies Association, which at its October meeting will consider whether to advise a cut in the recommended mortgage rate.

Leyland plans to double Irish truck market

LORD STOKES, chairman of British Leyland, yesterday opened new premises in Dublin for Leyland truck distributors and assemblers Ashenhurst Williams. The premises will enable the company to double its present £1m. output of Leyland and Albion vehicles in Ireland.

British Leyland holds 30 per cent. of the Irish market for *vehicles in the* over-five ton category, about one-third of which are provided by Ashenhurst Williams, who also provide 17 per cent. of all locally assembled vehicles in that category.

Lord Stokes said that the slight depression in the commercial vehicle market which was being experienced *in* Ireland as *well* as in the U.K. "cannot long continue, and I am pleased to see companies like Ashenhurst Williams poised to take advantage of an upturn in the market."

The premises, employing over 100 people, occupy a 7.25-acre site on Dublin's Bluebell Industrial Estate with a covered area of 47,000 square feet.

Europe venue for British Association

THE British Association for the Advancement of Science wants to hold its annual meeting in Europe in 1974, Sir Alec Cairncross, the outgoing president, said at the end of the 1971 meeting at Swansea.

"It is tied up with the idea of going into the Common Market," he said.

The meetings have been held overseas before—including 1914, when it was held in Australia. Next year's meeting will be at Leicester, under the presidency of Sir Vivian Fuchs, the Antarctic explorer.

Sir Alec said economies in running the BA would put it in balance. There were proposals to replace the £4,500-a-year grant from the Department of Education and Science, due to end in just over a year, from another source.

EAST EUROPEAN TRADE FAIRS—BRNO

Comecon plans may make Western imports vital

BY A. H. HERMANN

THE 13th International Engineering Fair which opens in Brno on September 11 remains, in spite of all Czechoslovakia's uncertainties, one of the most important business events in Eastern Europe.

It has always attracted western exhibitors and visitors who find it generally a good place for assessing the future trend of Czech engineering *supplies and* requirements. These are necessarily interlinked with all major industrial projects in Eastern Europe.

The claim that western companies obtained orders at last year's fair amounting to £30m. *has* to be taken with a grain of salt as so many contracts announced on this occasion were obtained earlier, but the figure *can* at least indicate the bracket within which western business can hope to move.

This year's fair will be the first to be held after the Government approved directives for the 1971-1975 economic plan. Czech industrial corporation will have a better idea than last year about their future requirements.

Integration

The five-year plan envisaged only a 6 per cent. increase in Czech imports from the West out of a total foreign trade expansion of 45 per cent. *This* optimistically modest figure is obviously an expression of Czech efforts to comply with the integration programme of Comecon which received a shot in the arm at last year's Bucharest meeting.

However, it is difficult to see how *this* relatively low *growth in* Czech imports from the West can be squared with the very high rise in the output of Czech machine building. This industry is already responsible for more than a quarter of the country's entire industrial output and its production should be expan*ded* by 45 per cent. between now and 1975. Experience has shown that the completion of large plants for the Soviet Union always requires a certain amount of machinery and instrumentation which the Czechs must buy in the West.

There is a close connection between the proposed growth of engineering output and of foreign trade: one third of all exports go to the Soviet Union and consist mainly of engineering supplies. It is therefore quite probable that the very high priority attached to Soviet orders for plant will in the end oblige the Czech Government to allocate more hard currency for machinery imports from the West than it contemplates at present.

Sales effort

Political considerations always play a certain role in deciding who gets the orders, particularly in major contracts determined at Government level and the drop in Soviet purchases in Britain in the first half of this year is no good augury. But *sales effort* also counts and in this British companies have in the past been overshadowed at the fair by West German exhibitors. This is probably unavoidable, given the geographical proximity of the market to West German industrial centres and the intimate knowledge of it by many German managers.

The Brno fair will adhere to its traditional programme, divided into twelve departments: machine tools; mining equipment; chemical and food industry; machinery for textile, leather and rubber industry; printing; pumps; power engineering; communication engineering and instrumentation; nuclear engineering; medical instrumentation; transport and construction engineering; agricultural machines; and raw materials for the engineering industry.

There seems to be, however, the intention to take the specialisation still further and to transfer parts of the programme to other fairs. Every other year there is a welding exhibition in Brno and it is now planned to bring there also Food and Food packaging fai[rs].

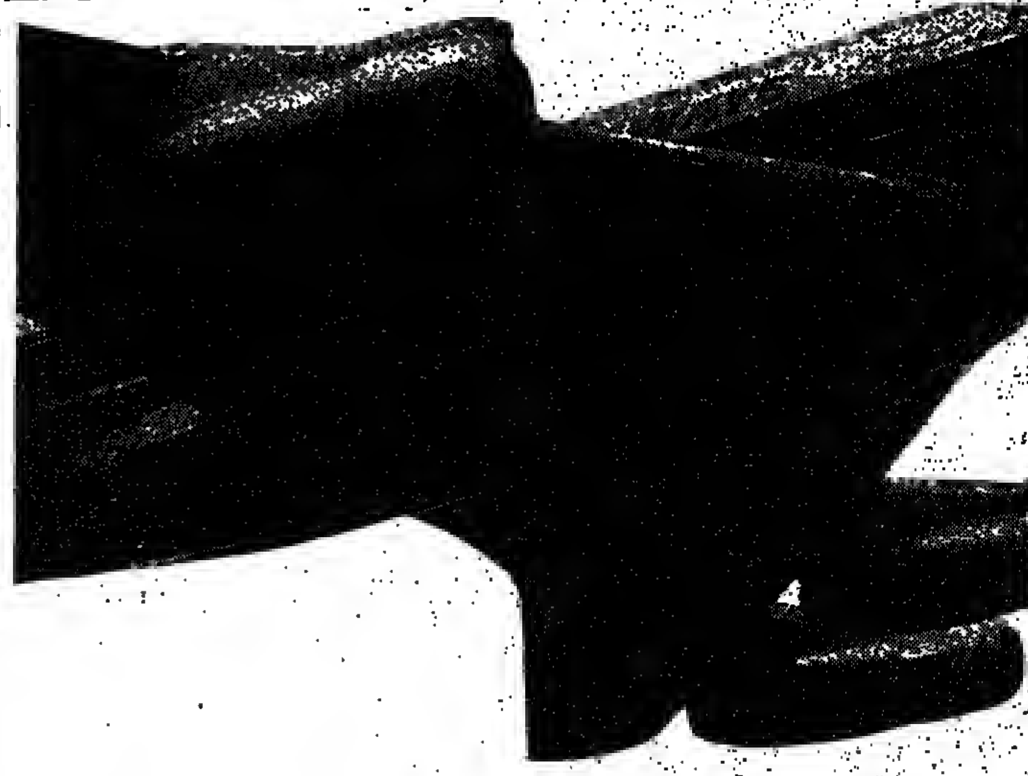
Specialisation

Another plan is for a tow[n] transport and automotive exhibition. Chemical engineering will probably move from Brno to the *Incheba exhibition* held [in] Bratislava. A specialised eve[nt] for medical instrumentation may develop around the exhibi*tions held in Prague*.

In the end five different trade fairs should be held in Brno each year and this tendency towar[ds] *specialisation* is certainly to be preferred to the megalomaniac agglomerate of the Leipzig spring fair. But there is a li[mit] to *specialisation*, not only because technology cuts across many borders but also because of the burden which too frequent events impose on the foreign visitors' time.

BOURNEMOUTH DEVELOPMENT PLANS SOUGHT

The Bournemouth Internatio[nal] Group has been chosen by [the] council to draw up detailed pl[ans] and specifications for the devel[op]ment of the centre and sea-fr[ont] areas of Bournemouth.



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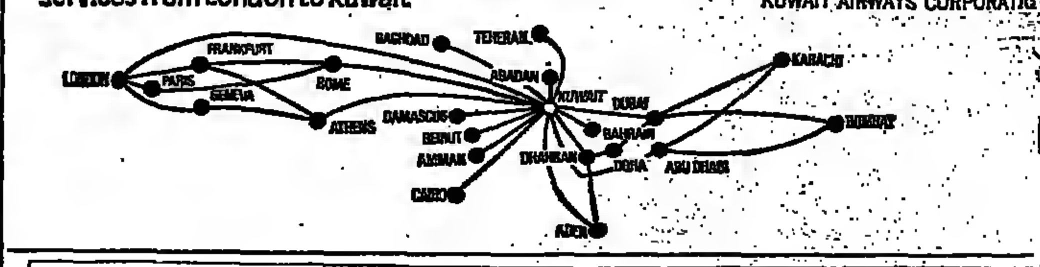

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INTERIM STATEMENT

DE BEERS CONSOLIDATED MINES LIMITED

(Incorporated in the Republic of South Africa)

INTERIM REPORT TO MEMBERS

For the half-year ended 30th June, 1971 and Declaration of Interim Dividend

The following are the unaudited results of the company and its subsidiaries for the half-year to 30th June, 1971 together with the comparative figures for the half-year to 30th June, 1970 and for the year to 31st December, 1970.

UNAUDITED CONSOLIDATED PROFIT AND LOSS ACCOUNT for the half-year ended 30th June, 1971

	Half-year ended 30.6.71 R		*Half-year ended 30.6.70* R		*Year ended 31.12.70* R	
Diamond account		47 917 000		54 923 000		88 535 000
Interest and dividends on investments including dividends from trade investments R4 505 000 (half-year to 30.6.70; R5 363 000)		18 735 000		22 238 000		44 285 000
Royalties		1 978 000		2 052 000		3 604 000
Sundry revenue		194 000		117 000		397 000
Surplus on realisation of investments less amounts written off investments		833 000		—		14 000
Surplus on realisation of fixed assets		13 000		368 000		414 000
		69 670 000		79 703 000		137 249 000
DEDUCT:						
Lease consideration—Marine Diamond Corporation Limited	1 000 000		1 350 000		2 700 000	
Prospecting and research	2 894 000		3 633 000		6 380 000	
General charges	2 742 000		2 757 000		5 912 000	
Interest payable	1 059 000		952 000		2 333 000	
Amounts written off investments less surplus on realisations	—		10 000		—	
		7 695 000		8 702 000		17 325 000
GROUP PROFIT BEFORE TAX		61 975 000		71 001 000		119 924 000
DEDUCT:						
Government's share of profit under mining leases	1 002 000		3 991 000		5 401 000	
Provision for tax	13 790 000		21 642 000		30 488 000	
		14 792 000		25 633 000		35 889 000
GROUP PROFIT AFTER TAX		47 183 000		45 368 000		84 035 000
DEDUCT:						
Outside interests in subsidiary companies		3 268 000		4 834 000		7 280 000
GROUP PROFIT AFTER TAX ATTRIBUTABLE TO DE BEERS CONSOLIDATED MINES LIMITED		R43 915 000		R40 534 000		R76 755 000
Preference dividend of R1 per share declared 8th June, 1971		R795 000		R795 000		
Cost of interim dividend of 5 cents		R17 843 000		R17 035 000		
Proportion of net profit of subsidiary companies not consolidated attributable to De Beers Consolidated Mines Limited		R544 000		R1 063 000		R1 874 000

NOTES

1. It should not be assumed that the results for the half-year ended 30th June, 1971, will necessarily be repeated in the half-year ending 31st December, 1971, since income from diamond sales and from investments does not accrue evenly throughout the year.
2. Foreign currencies have been converted as follows: Rhodesian currency at the rate of $1 equal to R1, Sterling at the rate of £1 equal to R1.714285, United States currency at the rate of $1.40 equal to R1 and Canadian currency at the rate of $1.4218 equal to R1.

DIAMOND MARKET

The more favourable trend in the diamond market is continuing and a further improvement in group profit after tax attributable to De Beers Consolidated Mines Limited is expected in the second half-year.

INTERIM DIVIDEND

The board of directors has today declared an interim dividend of 5 cents per deferred share in respect of the year ending 31st December, 1971, to shareholders registered in the books of the company at the close of business on 24th September, 1971, and to persons presenting coupon number 47 detached from share warrants to bearer.

Full details including currency relating to the payment of this dividend will be published in the press on 9th September, 1971.

By Order of the Board,

For and on behalf of
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA, LIMITED
London Secretaries
J. R. Byles

8th September, 1971

Copies of the Interim Report will be posted to registered shareholders on 10th September, 1971, and are available on application from the office of the U.K. Share transfer secretaries: Charter Consolidated Limited, Kent House, Station Road, Ashford, Kent.

NOTICE TO THE HOLDERS OF DEFERRED SHARES

Notice is hereby given that dividend No. 103 of 5 cents per share, being the interim dividend in respect of the year ending 31st December, 1971 (1970 interim 5 cents per share) has been declared payable to the holders of deferred shares registered in the books of the company at the close of business on 24th September, 1971, and to persons presenting coupon No. 47 detached from share warrants to bearer. Dividends on share warrants to bearer will be paid in terms of a notice to be published in the press at a later date by the London Secretaries of the Company.

This dividend is declared in the currency of the Republic of South Africa.

In the case of shareholders with registered addresses in Europe, or who have mandated payment to addresses in Europe, warrants will be posted from the United Kingdom and will be drawn in United Kingdom currency. Registered shareholders paid from the United Kingdom will receive the sterling equivalent of the rand currency value of their dividends on 28th October, 1971. Any such shareholders, may, however, elect to be paid in South African currency provided that any such request is received at the offices of the company's transfer secretaries in Johannesburg or in the United Kingdom on or before 24th September, 1971.

Shareholders whose registered addresses are elsewhere, or who have mandated payments to addresses outside Europe, or who have elected to be paid in South African currency in terms of the preceding paragraph, will be paid from Johannesburg, and all dividend warrants posted from Johannesburg will be drawn in South African Rand.

Any change of address or dividend instruction involving a change of office of payment to apply to this dividend must similarly be received by the company's transfer secretaries on or before 24th September, 1971.

Shareholders must, where necessary, have obtained the approval of the South African Exchange Control authorities and, if applicable, the approval of any other exchange control authorities having jurisdiction in respect of changes in the office of payment.

This dividend is payable subject to conditions which can be inspected at the Head Office and London Office of the company and also at the offices of the company's transfer secretaries in Johannesburg and the United Kingdom.

Dividend warrants will be posted from the Johannesburg and United Kingdom offices of the transfer secretaries on or about the 4th November, 1971.

The deferred share transfer books and register of members will be closed from the 25th September, 1971 to the 8th October, 1971, both days inclusive.

The effective rate of Non-Resident Shareholders' Tax is 14.802 per cent.

By Order of the Board,

For and on behalf of
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA, LIMITED.
London Secretaries:
J. R. Byles

London Office:
40, Holborn Viaduct, EC1P 1AJ.
Office of the United Kingdom transfer secretaries:
Charter Consolidated Limited,
Kent House, Station Road,
Ashford, Kent.
8th September, 1971.

هكذا من الأصل

European News

IN BRIEF

● DUBLIN: Redundancies in Irish industry and agriculture for the first seven months of 1971 have already passed the number for the whole of last year, said the Confederation of Irish Industry. The total for seven months was 4,450, and the CII said further redundancies are inevitable.

● PARIS: A delegation from China will visit France for 10 days beginning September 28, government spokesman Leo Hamon announced after a Cabinet meeting yesterday.

● SOVIET UNION has handed the United Nations a proposal for a world disarmament conference which would include China and all other countries whether U.N. members or not. In a memorandum made public yesterday the Soviet Foreign Minister Mr. Gromyko urged that the forthcoming general assembly take the necessary steps to convene the conference.

Bonn did not consult allies over USSR visit

By Malcolm Rutherford

BONN, Sept. 8.

THE WEST GERMAN Government did not consult the three Western Allied powers about the invitation for Chancellor Brandt to pay an early visit to the Soviet Union, and informed them of it only after the Chancellor had already notified Moscow of his acceptance. This was confirmed to-day by Herr Conrad Ahlers, the chief Government spokesman in Bonn.

Herr Ahlers added that the Germans would consult the Allies about the subjects on the talks' agenda. The Chancellor already admitted yesterday that he assumed the subject of a European security conference, long pressed by the Soviet Union, would be high on the list.

This is far from being a welcome development from the Allied point of view. Various Allied statements, especially in NATO communiqués, have made it clear that the Allies will only be prepared to discuss a security conference when there is a satisfactory settlement of the Berlin question.

It is emphasised that the Four Power Agreement on Berlin signed by the Four Powers last Friday was only the first stage of such a settlement. Much will now depend on the talks between the two German states on its practical implementation, and these could still prove difficult if the East Germans take a hard line.

There is some feeling that the Soviet Union, having made undoubted concessions in the first stage of the settlements, may now be preparing to twist Herr Brandt's arm to persuade him to support a security conference before the settlement is complete. The Chancellor's visit is due to take place in the next few weeks, though the exact date has not yet been fixed.

AP adds from Bonn: U.S. Ambassador Kenneth Rush said to-day the four powers which signed last week's Berlin agreement would intervene if there was any hold-up in negotiations between West and East Germany to finalise the accord.

Malta's duty-free fuel cut seen as start of campaign

BY RICHARD JOHNS

THE Maltese Government's denial of duty-free fuel supplies to the British Services is seen in London as the first act in a campaign of harassment which Mr. Dom Mintoff, the Prime Minister, will pursue until a settlement is reached.

Yesterday the Foreign Office made no official comment on Mr. Mintoff's measure because it had not been notified of it by the British High Commission in Valletta. The decision was announced late on Tuesday night in a release to the Press by the Maltese Information Department which said: "A stalemate has been reached between the Maltese and British Governments in financial talks."

However, it is understood that Mr. Mintoff's reply to the revised U.K.-NATO offer of annual aid amounting to £9.5m. was moderate in tone. His answer, which was sent to the British Government on Tuesday night, expressed Malta's interest in continuing the exchanges, but complained that he had no idea how much bilateral aid might be available from Britain's NATO allies.

These have declared themselves willing in principle to negotiate individually arrangements for economic aid with Malta over and above the basic aid offer. But the British Government has been anxious that they should not do so until a new agreement covering the use of Malta's military facilities has been completed and signed. The result is that Mr. Mintoff has no idea what West Germany or Italy, for instance, might be prepared to contribute.

An irritant

In the meantime the chances of agreement on basic U.K.-NATO aid for Malta—which in turn will make possible negotiations on a new agreement governing the use of the bases—cannot have been improved by Mr. Mintoff's decision about the fuel supplies. In practical terms it is little more than an irritant, more for the RAF, which has two squadrons based at Luqa, than the Royal Navy, because much of the bunkering of ships takes place at sea.

Yesterday it was announced that the Royal Navy had called off the visit which the guided missile destroyer Norfolk and the frigate Leopard were to have made to Valletta for the two-day National Day celebrations which continue until to-morrow. This was clearly in response to the "stalemate" in the talks, although the decision appears to have been made before Mr. Mintoff's *diktat* on fuel supplies.

A spokesman for the Ministry of Defence said the RAF's operational capability had not been affected in any way. The RAF's long-range maritime Shackletons were on stand-down yesterday because, according to a military spokesman in Malta, of the National Day celebrations.

However, it is believed that the British Government will be very reluctant for the services to draw on fuel stocks in bond storage if it means paying duty on them and thus accepting Mr. Mintoff's order and so RAF shadowing of Soviet ships could grind to a halt.

London sees Mr. Mintoff as contravening the Mutual Defence and Assistance agreement of 1964 which the Maltese Premier has already declared null and void.

There are many ways in which Mr. Mintoff can, and is likely to complicate life for the British Services, whose manpower in Malta is about 3,000. His next step may be to withdraw the privileges under which the British Services import goods other than fuel duty-free. It is also thought likely that he will ban the wearing of uniform outside military areas.

NORWEGIAN LOCAL ELECTIONS

Bratteli tests his support

BY OUR OSLO CORRESPONDENT

SOME 2m. Norwegian voters will go to the polls on September 20 to elect local government officials for a new four-year term. The opening exchanges in the election campaign show clearly that it is going to be fought on national and even foreign policy issues, rather than local ones.

Mr. Trygve Bratteli, Prime Minister and head of the Labour Party, said recently that his party regarded the forthcoming elections as a test of public support for the minority Labour Government, which took office last spring when the four-party non-Socialist coalition fell apart over the EEC question. The results of the elections, he said, would affect the Government's position and its ability to implement various points in the party's programme.

The crisis

The Centre Party, whose opposition to Norwegian EEC membership broke up the coalition, hopes the elections will confirm the trend in its favour shown by political polls since the crisis. It is putting up lists of candidates in 370 of the country's 451 city and rural municipalities, 20 more than at the last local elections in 1967. The three keynotes of its campaign, according to party chairman John Austrheim, will be: decentralisation, a better environment and increased equality—all of these, he believes, are issues which are of increasing concern to Norwegians of whatever political persuasion. Linked with the call for decentralisation, he said, is the EEC question.

The pro-Marketeers on Norway's political scene, headed by Mr. Bratteli, would like the EEC issue to be left out of the local election campaign. The topic is not even mentioned in the Labour Party's election manifesto; Mr. Bratteli justifies this omission with the sarcastic argument that his party "does not regard it primarily as a matter of municipal politics."

With a sizeable slice of the Labour rank and file opposed to Norwegian EEC membership, it would indeed be convenient for Mr. Bratteli and the Labour leadership if everyone else considered the topic irrelevant in a local election. But this is not the way things are shaping. While the Centre Party is hammering away at its theme of decentralisation—and contrasting it unfavourably with the threat of remote rule from Brussels—there will be sustained anti-EEC sniping from the extreme Left, as well.

The breakaway Socialist People's Party, formed in 1961 with opposition to NATO and the EEC as its main raison d'être, has steadily increased its share of voter support over the past few months, according to public opinion polls. Last month it had reached 4.5 per cent. of the total, compared with only 2.6 per cent. a year earlier. In its drive to win votes from the Labour Party's Left, it will certainly play the anti-EEC card for all it is worth.

The outlook for the Labour Party is not necessarily gloomy, however. Though the SPP and the Centre Party will wage vigorous and aggressive election campaigns, focusing the maximum of attention on the EEC question, the other three main parties, ex-members of the coalition, are in a less confident mood. The Conservative, Liberal, and Christian Peoples' parties have all lost some ground in the public opinion polls, since the last general election. The CPP has lost least, the Liberals most. All three realise that without the Centre Party—for the moment, totally alienated—they cannot provide a credible alternative Government. Supporting Labour on the EEC issue, they have to mute their opposition on other questions, to avoid a parliamentary crisis none of them really wants. Their electioneering is likely to be defensive and low-key, concentrating on appeals to party loyalty and vague general criticism of Labour's policies.

Another good omen for Labour is the fact that Mr. Bratteli has found a formula for reconciling the more radical ambitions of his Left-wingers with the need for compromise imposed by the party's position in the Storting (Parliament), where it has only 74 seats out of 150, two short of a majority. At his week-end Press conference, Mr. Bratteli said the party's strategy now would be to press ahead with the less controversial parts of its programme, while preparing the way for action on other questions after the 1973 parliamentary elections, when it hopes to regain a majority.

Draft law

Among the schemes to be postponed is one for a State business bank, which the party realises is opposed by all four non-Socialist parties. Other proposals which will not meet united opposition from the four will be put before the Storting fairly soon—among them some for increased taxes on profits and wealth, and a draft law on industrial democracy, designed to give workers in Norwegian firms a say in the running of their companies' affairs.

On the whole, Labour can be moderately optimistic about its chances next month. The latest opinion polls give it 47.3 per cent. of voter support, compared with only 44 per cent. before the 1967 local elections. If this percentage can be maintained up to polling day, it should be able to regain control of some municipalities which for the past four years have been governed by the "bourgeois" parties. And even a few marginal victories will strengthen the party's hand in the Storting during the two years it still has to go as a minority government.

Six to continue temporary float

BY REGINALD DALE, COMMON MARKET CORRESPONDENT

BRUSSELS, September 8.

THE COMMON Market countries will continue to take separate action on exchange rates at least until after the meeting of the IMF in Washington later this month. This was clearly indicated here to-day by Baron Snoy et d'Oppuers, of Belgium, after a meeting of the four Finance Ministers of Italy and the Benelux countries.

Baron Snoy told a press conference that more time was needed to judge the effects of the present system, under which Germany and Italy are floating their currencies individually against the dollar, France is operating a two-tier market system, and the Benelux countries are floating jointly.

Instead of trying to co-ordinate short-term exchange rate movements, the six Ministers of Finance will meet here on Monday to try to agree on a common position on the reform of the international monetary system in advance of the Group of Ten meeting in London next week and the Washington meeting of the Fund.

The Community's Ministers of Foreign Affairs will take stock of the situation at both political and technical level at another Council meeting on September 20, together with those of the Finance Ministers who are able to be present. At next week's meeting, the Brussels Commission will put forward its own proposals for the reform of the international monetary system, and perhaps also suggest interim measures to control speculative short-term capital movements.

But the Six's aim is now to put off major decisions on exchange rates until a "full" Council session shortly after the meeting of the Fund. Baron Snoy said to-day that this would be attended by both Finance Ministers and Ministers of Foreign Affairs.

Meanwhile Signor Ferrari-Aggradi, Italian Minister of the Treasury, said he would be having talks with Mr. Anthony Barber, Chancellor of the Exchequer, in London next Tuesday on the eve of the Group of Ten meeting. The Italian Minister, who is current chairman at meetings of the Six's Ministers of Finance, said to-day he was virtually certain that the U.K. would support the Six in their efforts to reform the monetary system.

Signor Ferrari-Aggradi said that the constructive approach of the U.K. was one of the most positive elements to have emerged from the monetary crisis. The British attitude had been "encouraging and friendly," he told journalists.

The Italian Minister, who has now completed bilateral contacts with all his five Community colleagues, expressed confidence that the Six would be able to agree on at least a certain number of issues at next Monday's meeting. The fundamental objective was to reach a common position for the series of international discussions later this month and to try to get the Community back on the road to economic and monetary union, he said. He added that the "political will" to do so existed.

Nevertheless, the fact that the Six appear to be dropping their efforts to reach a co-ordinated exchange rate policy for the time being seems to imply that Italy's efforts to reach a compromise between the French and German positions have come to nothing.

Commission officials said to-day that the only way to settle the immediate problems facing the system was to reach some kind of agreement on a new system for the future. It is too early to assess the success of either the Benelux float or the French two-tier market, in the Commission view, and the best that can be done in the meantime is to stop the present situation deteriorating further.

NZ dairymen satisfied

BY IAN DAVIDSON

THE TERMS agreed in Luxembourg for New Zealand dairy exports to the U.K. after Britain joins the European Community were described in London yesterday by the national secretary of the New Zealand Dairy Workers' Union as "satisfactory"—in the sense that they could have been very much worse.

"If one considers the phase-down over the five-year transitional period to 70 per cent. of present levels," said Mr. Sidney Wheatley, "then New Zealand will be considerably worse off. But if one compares the Luxembourg agreement with what the French appeared to be aiming at—the total exclusion of butter and cheese—then this compromise is very much better for New Zealand."

Mr. Wheatley put particular emphasis on the Community's undertaking not to embark on dairy export policies which could frustrate New Zealand's efforts to diversify into new markets

Swiss currency powers

BY OUR OWN CORRESPONDENT

ZURICH, Sept. 8.

THE SWISS Federal Council announced this afternoon that it has decided to ask both Houses of Parliament for approval of a Federal decree "for the protection of the currency." This decree would give the Government powers to enforce ordinary measures at times of monetary crises. The powers would include measures to make agreements between the National Bank and commercial banks binding.

The Federal Council's move is another step to increase the Swiss Government's hitherto unusually restricted rights in the monetary sector.

Although the gentlemen's agreements between the National Bank and the Swiss Bankers' Association have worked remarkably well to date, there are always some banks not prepared to participate. In any case, the collection of signatures takes some days. This delayed Swiss action during last month's crisis.

French budget debate

BY ADRIAN DICKS

PARIS, Sept. 8.

THE FRENCH Government is currently putting the finishing touches to its budget plans for 1972, details of which are expected to be made known on September 15.

There has been considerable debate within the Cabinet on whether priority should be given to the objective of a 5.5-6 per cent. growth rate, as laid down in the Sixth Plan and favoured by the Prime Minister, M. Jacques Chaban-Delmas, or whether the control of inflation ought to come first—as the Finance Minister, M. Giscard d'Estaing, has argued.

It now appears that a compromise has been reached whereby the budget itself will increase spending on the economic infrastructure by around 20 per cent.—principally on roads, telecommunications and urban development—while at the same time measures will be announced to limit wage and price increases, both of which have been causing increasing concern.

In this way, according to economic observers here, the Government should be able to cushion the economy considerably against the expected adverse effects of the world monetary crisis on what has in the past two years been an increasingly export-oriented process of growth.

M. Chaban-Delmas' main preoccupation is bound to be with the maintenance of social peace and full employment during the run-up period to the next National Assembly elections, which have to be held at latest before the autumn of 1973. He is to break a political silence of several weeks with a television appearance to-morrow evening, in which he may take the opportunity to reaffirm the objectives of the "New Society" social policies with which his reputation is closely bound up.

The Government's calculation may well be that in throwing the emphasis on infrastructural spending next year, it will be able to reap electoral dividends the following year. Another reason for believing this is that in order to keep its firm attachment to balanced budgeting, the Government will be obliged almost certainly to defer parts of its tax reform package.

Foreign capital in Cyprus

By Our Own Correspondent

NICOSIA, Sept. 8.

CYPRUS had a record influx of foreign capital last year which accounted for the big overall surplus in its foreign transactions, according to the annual report of the Central Bank of Cyprus. Inflows of foreign capital, both short-term and long-term during 1970 reached £14.2m., as against £10.1m. in 1969 and £4.2m. in 1968. In this way, although the island had a widened trade gap of just over £8m. during the year, the overall balance of payments was in surplus amounting to £10.4m., the report says.

ANNUAL STATEMENTS

G. H. DOWNING & CO. LIMITED

EARNINGS HIGHER THAN ANTICIPATED

The 38th Annual General Meeting of G. H. Downing & Co. Limited was held on September at Stoke-on-Trent, MR. D. S. HARTLEY, F.I.Ceram. (Chairman and Managing Director) presiding.

The following are extracts from his circulated statement:—

Accounts

Although results for the first half year were disappointing, the marked improvement to which I referred in my six-monthly statement continued in the second half and, coupled with the exceptionally mild winter, enabled us to produce results rather better than we expected some months ago. The Group profit before taxation is £430,649 (£375,374). The net profit after taxation is £263,169, compared with £223,413 last year.

The directors recommend a final dividend of 12%, making 19% for the year.

CAPITAL EXPENDITURE—During the year Group expenditure on capital equipment totalled £294,000, approximately 45% of which was spent in the Refractory division. The rest was mainly spent on further improvements on the Group's various brick and tile works.

Activities

BUILDING MATERIALS—This is our largest division and for most of the year was operating under difficult conditions. Towards the end of the period we were able to harden prices with some improvement in margins. As a result of intensive work by our sales staff our brick stocks at 31st March, 1971 were at a considerably lower level than at the start of the financial year. We have further rationalised production during the year and have closed our Charfield and Apedale Works. The engineering brick output of the latter is being transferred to our Brownhills works where we have spare machine and dryer capacity. New type kilns will be in production here shortly which will enable us fully to meet the requirements of the Clean Air Act, which we could not have done economically at Apedale. All our production units are now operating at or close to full capacity.

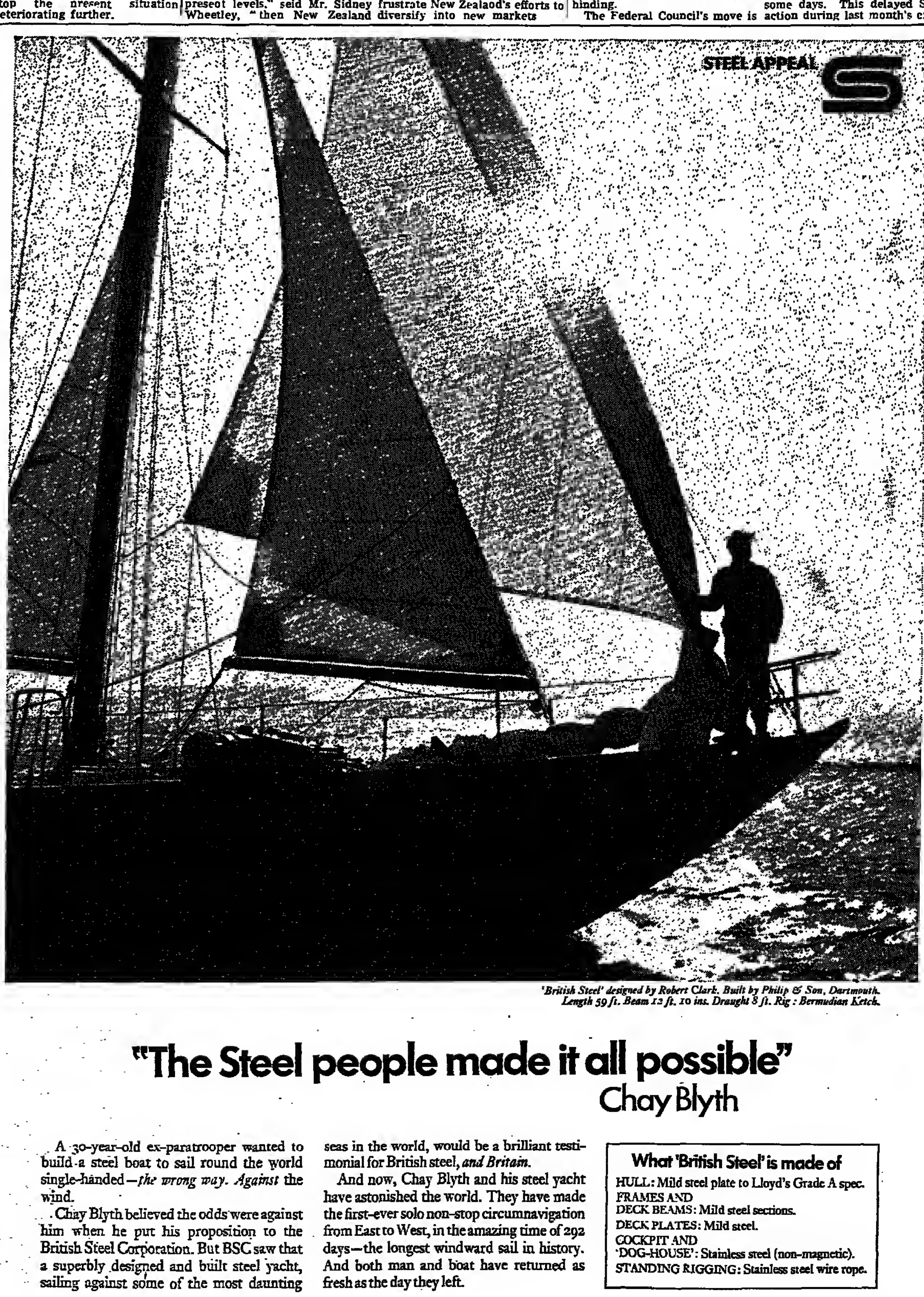
REFRACTORIES—Turnover in this division has increased by £241,000 and profit to £103,804. Demand was buoyant for the greater part of the year and little effect was noticed from the downturn of steel production until the end of the period under review.

ELECTRICAL—Turnover here has also been increased by £22,000 and profit increased to £35,230. This has been a very satisfactory year for this subsidiary.

Prospects

The building materials division has started this year reasonably well but the improvement so far has been limited mainly to the private house building sector. We view the months ahead, therefore, with only cautious optimism. As regard refractories, however, the outlook is not so good. Demand from the steel industry has slackened and unless this demand improves in the next few months we cannot expect such good results of this division in the current year as in the year under review. On the electrical and engineering side, this subsidiary has again got off to a good start and we expect a satisfactory year.

The report was adopted.



'British Steel' designed by Robert Clark. Built by Philip & Son, Dartmouth. Length 59 ft. Beam 12 ft. 10 ins. Draught 8 ft. Rig: Bermudian Ketch.

"The Steel people made it all possible"

Chay Blyth

A 30-year-old ex-paratrooper wanted to build a steel boat to sail round the world single-handed—*the wrong way. Against* the wind.

Chay Blyth believed the odds were against him when he put his proposition to the British Steel Corporation. But BSC saw that a superbly designed and built steel yacht, sailing against some of the most daunting seas in the world, would be a brilliant testimonial for British steel, *and Britain.*

And now, Chay Blyth and his steel yacht have astonished the world. They have made the first-ever solo non-stop circumnavigation from East to West, in the amazing time of 292 days—the longest windward sail in history. And both man and boat have returned as fresh as the day they left.

What 'British Steel' is made of

HULL: Mild steel plate to Lloyd's Grade A spec.
FRAMES AND
DECK BEAMS: Mild steel sections.
DECK PLATES: Mild steel.
COCKPIT AND
'DOG-HOUSE': Stainless steel (non-magnetic).
STANDING RIGGING: Stainless steel wire rope.

British Steel Corporation

Other Overseas News

S. African tour of Australia called off

By Michael Southern, Australia Editor

SYDNEY, Sept. 8.

THE PROPOSED tour of Australia by the South African cricket team has been called off. The chairman of the Australian Cricket Board of Control, Sir Donald Bradman, announced this to-night in a statement which was also critical of the South African Government and its apartheid policies.

Sir Donald said it had been a unanimous decision to cancel the tour. There have been many threats of demonstrations by anti-apartheid groups in Australia, and the last two days have seen many appeals from various groups, including businessmen in Australia, to Sir Donald to have the tour stopped.

Sir Donald commended the South African players for their "courageous stand against their Government's apartheid policy in cricket." He added that the Board earnestly hoped that the South African Government would in the near future relax its laws so that cricketers of South Africa could play in the international field.

A tour by a world eleven is now being considered. The decision has come in the face of mounting opposition to the tour and a clear indication from various State Governments that they did not want to see it happen. The Federal Government is also understood to have indicated that it would be best if the tour did not take place.

Reuter reports from Canberra: Opposition Labour Party leader Mr. Gough Whitlam said the Board of Control had made the only possible decision. "Their decision is a tribute to their common sense and patriotism," Mr. Whitlam said, "Australia could not have afforded the damage to our society at home and to our reputation abroad which this tour would have done."

Mr. Whitlam criticised the Australian Government for placing the Board in the difficult position of having to make a decision "to preserve Australian unity and Australia's good name."

Minority

Prime Minister Mr. William McMahon said the Cricket Board in deciding to cancel the proposed cricket tour "has obviously taken account of the possibility that a minority would be prepared to go to extremes to disrupt the tour."

Commenting on the Board's decision announced in Sydney earlier to-night, Mr. McMahon said the Australian Government had consistently expressed the view that visits by international sporting teams should not be introduced into sport. But, he said, there were grave difficulties in arranging the South African cricket tour.

"The Australian Cricket Board is best able to assess these difficulties," he said. Mr. McMahon said he appreciated that the majority of Australians wanted the tour to proceed.

Egyptian general election on October 27

BY OUR OWN CORRESPONDENT

CAIRO, Sept. 8.

PRESIDENT Anwar Sadat to-day dissolved the 360-member People's Assembly and anounced a general election for October 27. The new Parliament will assemble on November 11. The general election will complete President Sadat's purge of the country's political institutions. His main opponents, including former Vice-President Ali Sabri and Interior Minister Sharawi Gomaa, are currently being tried for treason against the State.

Since May President Sadat has held new elections within the Arab Socialist Union, the country's only political party, producing a new central committee; and has won public approval in a referendum for taking Egypt into the confederation with Syria and Libya, one of the issues on which Mr. Sabri opposed him. He has also organised new elections in the trade unions and professional associations. On Saturday the country will vote on the new permanent constitution, the first since the 1952 revolution. The constitution guarantees the people new freedoms and democratic institutions.

The ASU elections were conducted without the close security supervision characteristic of past elections and it is expected that a similar method will be followed for the general election.

There is likely, however, to be a screening of candidates as in the ASU and trade union elections. Those who have had close connections with the Sabri group or have belonged to the extremist wings of the Muslim Brotherhood or ex-Communist groups will probably be told to withdraw their candidature.

There may not be so many new faces in the People's Assembly when it convenes in November as there were in the new central committee. The assembly gave President Sadat a large majority vote during his tussle with the Sabri opposition.

Meanwhile, the Al Ahram newspaper reported this morning that the new law on foreign investment expected to be put before the People's Assembly in October or November will offer foreign investors tax exemptions for a fixed period. There will also be guarantees against nationalisation or confiscation and investors will be able to transfer profits abroad, the report says, but does not specify whether all or part of the profits will be transferrable.

Arab investments will have priority but other foreign investments will enjoy the same privileges and guarantees, once they have been approved by a general investment authority, Al Ahram says.

'Bar Lev visits Uganda'

BY OUR OWN CORRESPONDENT

CAIRO, Sept. 8.

GENERAL CHAIM BAR LEV, the Israeli chief of staff, spent several days in Uganda before his secret visit to Addis Ababa on August 29, the semi-official Al Ahram reports this morning, quoting Ugandan officials.

On Monday Al Ahram claimed that Gen. Bar Lev had been in Ethiopia and speculated that he was seeking to strengthen Israel's military position by the Red Sea, possibly by leasing a base from Ethiopia. In a further news analysis this morning Al Ahram comments that the secrecy of Gen. Bar Lev's visit to Uganda indicates the nature of his talks there.

Recalling that Israeli military advisors are working in the Ugandan Army, police and intelligence, Al Ahram claims that the Israelis helped General Idi Amin plan his coup against ex-President Milton Obote and have since used their expertise to help him crush any opposition. In return, Uganda has become the bridge across which Israeli military aid passes to the rebels in southern Sudan, Al Ahram says.

Israel may get stiff strike law

JERUSALEM, Sept. 8.

ISRAELI Premier Golda Meir, infuriated by a recent rash of strikes paralysing various sectors of the economy, is considering tough legislation to curb stoppages in essential services.

The ruling Labour Party faction in the Histadrut (trade union confederation) to-day discussed legal steps to ensure that existing labour contracts are fully observed, following a bitter denunciation by Mrs. Meir of the country's latest strike as "pure hooliganism."

The Premier warned that the situation was deteriorating into a political and moral catastrophe, and Defence Minister Moshe Dayan has even suggested imprisonment for strikers not giving the legally stipulated fortnight's notice.

What particularly aroused Mrs. Meir's wrath was the illegal lightning nature of the unofficial strike which paralysed Lydda International airport for 12 hours two days ago, stranding hundreds of tourists and disrupting dozens of flights. Interrupting her holiday to summon an emergency meeting of Labour Party ministers and Histadrut leaders last night, the Premier declared: "What we witnessed at Lydda was pure holliganism."

General Dayan, in an unusual foray into economic affairs, told the meeting that existing legislation requiring a fortnight's prior notice must be given teeth. "Breaking a law in a democratic society must incur punitive action, including prison sentences," he said. "Thus, if the men do not give a fortnight's notice of strike action, and then get off scot free, there is no value to the law."

The Lydda strike was only the latest in a series of both unofficial and official stoppages paralysing various sectors of the nation's life over the past few months.

One of the most serious was a stoppage by doctors and administrative staff in Government hospitals which resulted in out-patient clinics being closed down, many patients being sent home and only emergency cases being accepted. Mrs. Meir was eventually forced to sign emergency orders to force the strikers back to work.

Reuter

PFLP to dissociate itself from Jordan talks

BY OUR OWN CORRESPONDENT

BEIRUT, September 8.

THE MARXIST commando organisation, the Popular Front for the Liberation of Palestine, announced to-day it will not be bound by any agreement that may come out of the projected meeting in Jedda between the Jordanian Government and guerilla representatives.

PFLP spokesman condemned at press conference here a decision by the executive committee of the Palestinian Liberation Organisation tot attend the conference, due later this week within the framework of the joint Egyptian-Saudi mediation.

The PFLP's two representatives in the 13-man committee told reporters that seven of ten members of the committee attending a meeting in Beirut on Monday to discuss the matter agreed to the Jedda parley. They said that they walked out in protest.

The PSLP, however, will not withdraw from the PLO for the time being, they said in reply to a question, and added that once the Jedda conference convenes the PFPL leadership would meet to consider whether it should stay on as PLO member. They said that the guerilla movement should be seeking to overthrow King Hussein's regime instead of making a compromise with it.

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NIXON'S CHOICE IN VIETNAM

A one-man contest or a coup

BY DEREK DAVIES

EVER since an embarrassing series of short-lived governments in the early 1960s reduced the credibility of Saigon regimes to zero, the Americans have firmly opposed coups d'état in South Vietnam. Once President Thieu and Vice-President Ky were installed in power they appeared, despite their faults, to be worth backing. General Duong Van "Big" Minh, the man who overthrew President Diem, had returned from his long exile in Bangkok and was a force to be reckoned with, but he had little solid support except from the militant An Quang Buddhists. At the beginning of this year Washington could confidently expect that this October's presidential election would give a clear mandate for President Thieu, thus enabling President Nixon to face his own electorate in November next year with an impressive list of achievements.

Everything was going reasonably well. The Vietnamisation programme was beginning to gain momentum and Hanoi appeared concerned by its progress. Pacification was making progress and economic measures, including a belated land reform, had been launched. American withdrawals were going smoothly and regularly enough to quiet campus dissent in the U.S; and although the prisoners of war in the North were an effective bargaining card for Hanoi, the military situation was promising. The North Vietnamese Army was bogged down in Cambodia and Laos, while the coup in Phnom Penh, which ousted Prince Sihanouk, had denied it the use of Cambodian ports. North Vietnamese troops and the Vietcong faced a tough task in reasserting their domination over large parts of South Vietnam, where their grass roots strength was being weakened by rural reforms.

Morale

On the international level Moscow was continuing to exert pressure on Hanoi to compromise and seek a political solution at the Paris talks. Meanwhile, in China the American journalist Edgar Snow was shortly to emerge with an invitation for President Nixon to visit Peking. Such a move could become a trump card, for a détente between China and the U.S. would be a major shock to the morale of the North Vietnamese, and it was possible that in return for American concessions, Peking could be persuaded to lend its support to a new international conference on Indo-China. If so, the pressure on Hanoi would be irresistible and it would be forced to give up its dream of a final military victory.

This roseate scenario began to go badly astray in early February when with massive American logistic support the South Vietnamese Army crossed into southern Laos to cut the Ho Chi Minh Trail. President Thieu took personal command, cutting out his Joint General Staff from all contact with the operation. It was a complete failure, incurring severe losses to South Vietnam's crack troops and an even worse blow to morale. Suddenly Vietnamisation appeared to be a flimsy house of cards vulnerable to any determined attack by the North Vietnamese, once the American forces had withdrawn from the field.

Several generals in the ruling junta, including the Prime Minister Tran Thieu Khiem, turned against President Thieu, whom they privately describe as "another Diem" cut off from harsh reality by his advisers. The generals approached Vice-President Ky who had abruptly switched his position to open admissions that a political solution was necessary since a military one was impossible.

This heralded an equally abrupt change in the political situation. Ky backed by several generals announced that he would run for the presidency against Thieu who began increasingly to appear a military and political embarrassment to his American supporters. The Americans themselves were interested in an open and contested election. The U.S. embassy in Saigon opened regular contacts with "Big" Minh who in turn began to gather wider support.

At the same time the leaders of North Vietnam, Truong Chinh and Le Duan, were also under pressure. Hanoi had reacted violently to the news of President Nixon's projected trip to Peking, accusing him of attempting to divide the socialist camp. Le Duan had gone to Moscow where he was told that continued Russian backing was dependent on Hanoi's rejection of the Chinese line and of the Indo-china anti-American front sponsored by Prince Sihanouk, now in exile in the Chinese capital.

Hanoi bowed to its allies' pressure and issued a seven-point plan for peace. This, while still demanding American military withdrawal, opened the way to the formation of a coalition administration in Saigon, which could conceivably include a wide spectrum of political views and religious factions with which the communist Provisional Revolutionary Government would be willing to negotiate a "three-segment government of national concord." Hanoi had apparently swallowed its deep-rooted objections to Ky and Prime Minister Khiem. President Thieu was apparently the only obstacle to a political solution.

President Thieu's reaction to his increasing isolation was to reiterate his stubborn refusal to compromise (his election programme consisted of "four noes" to any concessions). By manipulating the electoral machinery he had ensured that there would also be no other candidate. Vice-President Ky and Big Minh both refused to run despite generous offers of American financial support for their campaigns.

President Nixon thus found that in return for all the years of fighting and sacrifice (the war in Vietnam had brought American military expenditure since the end of World War Two to a total of US$1,000,000m.—or 70 cents out of every Budget dollar) he could not even point to a credible election in South Vietnam. Desperate moves to save the election (reminiscent of 1967 when the military junta forced Nguyen Kao Ky to take second place on the ballot) were doomed to failure.

In this political deadlock Ky and Minh (possibly working in harness) have seemingly determined to oust Thieu by non-electoral means. Their advisers including the master strategist Tran Van Don and many others who once operated backstage helping Big Minh mount the successful coup against Diem are carefully orchestrating a programme of violence and dissent. The Buddhists have been encouraged to demonstrate. Ky lent helicopters to candidates to fly the Press to provinces where President Thieu was attempting to squeeze out opposition candidates in the recent lower house elections. The journalists were welcomed by crowds of wailing women. In addition disabled veterans and others began to burn themselves alive, and Ky has made a point of attending their funerals which lead to further disturbances.

A directive allegedly from Thieu himself is circulated purporting to describe how to rig elections (but it is a crude document unworthy of the Machiavellian President). The Press is briefed privately that a crescendo of violence, probably timed to climax on election day (October 3) can be confidently expected. The Americans may have set their faces against further coups but they must be horribly tempted to listen to the arguments of Ky and Minh. No coup can hope to succeed without American backing—or at least without the blind eye which the U.S. embassy and the Army turned to preparation for the coup which overthrew Diem.

Brash

Ky and Minh are offering the hope of a political solution to the Vietnam war. Although they are deliberately vague about their peace programmes, their aides hint that Hanoi's seven point plan does represent a possible basis for negotiation. If they should succeed, President Nixon could go to his polls next year claiming to have achieved American disengagement and a political solution which would come as near to representing the wishes of the Vietnamese people as any negotiated settlement.

Ky and Minh continue to orchestrate their campaign and to gather support. But neither the brash Vice-President nor the curiously indecisive general is separately any match for President Thieu who has proved himself a clever politician.

In these circumstances there would seem to be only two exits from the deadlock—an American-supported coup or alternatively President Thieu, facing a rising tide of opposition within his own country and an America completely disillusioned in him, the champion of freedom, decides that it is time to step down.

Japanese banks appeal against tighter controls

BY OUR OWN CORRESPONDENT

TOKYO, Sept. 8.

JAPANESE foreign exchange banks, already largely unable to receive remittances from overseas financial institutions under tightened Finance Ministry controls on short-term movement of foreign funds in and out of Japan, appealed to the Ministry and the Bank of Japan to ease restrictions on yen to-day.

Financial authorities here had planned to change various measures previously carried out by administrative guidance into official ordinances, restricting convertibility into yen of short-term foreign funds, such as Eurodollars and placing a definite ceiling on the amounts of such funds which each foreign exchange bank could handle.

Hardening of instructions into actual Finance Ministry ordinances is considered necessary by the authorities because of the increased danger of foreign (and even local) speculation while the yen continues to float. Officials of the exchange banks had complained in the past few days that there was no legal basis for the Ministry's actions.

Exchange bank executives understood the proposed action by the Ministry as an indication that the Government intended to try to keep the yen floating for some time. "We cannot keep operating in this fashion for many weeks," warned one major foreign exchange bank official during to-day's talks with the Ministry. "Speculation may be a threat but so is this."

Representatives of the foreign exchange banks made their appeal to the Finance Ministry and the Central Bank during a meeting called by these two organisations to explain the planned legislation and to point out why such strengthening of foreign currency exchange was necessary.

The bankers complained that even the Government's administrative guidelines had caused considerable difficulty in receiving freely convertible yen from overseas banks with which they have correspondence agreements. They argued that they must be able to take in non-speculative remittances from banks abroad.

The flare up of Tokyo's foreign exchange banks had been expected. The last straw was the announcement of the Frankfurt foreign exchange market that it would cease quoting the yen because of problems which have arisen in transactions with Japan's banks over the past 10 days.

Indian state hit by drought

NEW DELHI, Sept. 8.

WHILE Northern and North-eastern India are devastated by floods, the Southern state of Andhra Pradesh has been hit by the worst drought for years. Officials say 23m. of the state's 41m. people have been affected by the lack of rain, which has ruined many crops and left cattle thirsty. To overcome the food shortage, 1,000 shops selling at controlled prices have been open.

This year instead of providing 400,000 metric tons of rice to the central buffer stock, Andhra Pradesh will have to obtain 20,000 metric tons of rice and 10,000 tons of other coarse grain from outside. The central Government has made available Rs.80m. (about £4,500,000) for relief work. State authorities estimate the crop loss at many times this figure.

Reuter

PAKISTAN WANTS SELF-RELIANCE

By Our Own Correspondent

KARACHI, Sept. 8.

ECONOMIC adviser to the President, M. M. Ahmed has said that the Government was trying to manage the national economy on the basis of self-reliance without depending on foreign aid. That however did not mean that it would shun aid unless there were political strings attached.

Asked if there was any idea of supplementing the budget he said no. "We prepared the budget with proper and careful planning." We shall manage it. There is no need of a supplementary budget unless something frightful happens."

Odinga back in the fold

BY OUR OWN CORRESPONDENT

NAIROBI, Sept. 8.

KENYA'S most volatile political figure, Oginga Odinga, has returned to President Jomo Kenyatta's fold. After five years in Kenya's political wilderness, the self-confessed Communist sympathiser, has rejoined the ruling Kenya African National Union (KANU) party.

Mr. Odinga left KANU after resigning as his country's first ever vice-president in 1966. Within a few days of his resignation he announced the formation of a new opposition party, the Kenya People's Union, and took with him a number of his supporters who were, at the time, in President Kenyatta's Government.

Although Mr. Odinga remained an active parliamentarian, his party never emerged as an effective parliamentary opposition.

Mr. Odinga appealed to his followers to return with him. He said in a statement: "I have always believed in unity. This is the time for the independent Kenya nation to be born again and I for my part am ready to do all I can toward this."

In March this year he was released after 18 months' detention. "Since our release we have had time to rest and assess political feeling," he said.

COATED METALS (HOLDINGS)

The Fifth Annual General Meeting was held on September 8 in Cardiff. The following are extracts from the circulated statement of MR. G. T. CANTLAY, the Chairman :—

The profit before tax shows a reasonable increase particularly bearing in mind that the development costs of the new Terne Line (Lead Coated Steel) have been absorbed in arriving at this profit. Also, many increased costs have not been passed on in full to our customers.

Alfer Aluminising was acquired on 1st January 1971, although our management of the plant only effectively commenced on 7th April. The Alfer Plant is now producing Hot Dip Aluminised Steel on a commercial basis, and we look forward to a continued improvement of its all-round efficiency.

It is hoped to commence marketing of Terne Coated Steel during the latter part of 1971.

Direct exports of the Group totalled £662,220 (£474,572 last year) and sales overseas now cover over 12 countries and represent 25% of Group sales.

The Order Book remains satisfactory and I would anticipate improved profits in the current year.

STATISTICAL RECORD

	1971 £	1970 £	1969 £	1968 £
TURNOVER	2,612,000	1,949,000	1,542,500	1,055,500
Profits before tax ...	409,000	332,000	245,000	177,000
Taxation	164,000	150,000	112,000	75,000
Alfer—Net Loss ...	52,000	—	—	—
Dividends Gross ...	115,000	86,000	64,000	55,000
RETAINED PROFITS	78,000	96,000	69,000	47,000

ANNUAL STATEMENTS

DIDIER-WERKE AG

WIESBADEN, GERMANY

(Refractories and Engineering)

EXPANSION ABROAD

The Annual General Meeting of DIDIER-WERKE AG was held in Wiesbaden on July 29, 1971, and the following are extracts from the address given by the Chairman of the Board of Management, Dr. Martin Bieneck, and from the Report presented by the Board.

Dr. Bieneck

Dr. Bieneck began by illustrating how excessively high labour costs were bound to undermine even the most solid earnings position. Thanks to the Company's sound structure, however, earnings had been maintained in 1970, and the profit made had permitted the distribution of a dividend of 14 per cent.

The cost increases were at the same time responsible for cuts in investment. For both the current year and 1972, expenditure was to be limited to the volume of depreciation, with larger allocations to European plants outside Germany because of their considerably lower labour costs.

Reviewing the salient features of the Didier-Technik business during the year, Dr. Bieneck pointed out that, as a result of the separation of the Plant Division in Essen discussed in the previous year, the relevant balance sheet items were scarcely comparable. The major order for the erection of the most up-to-date coking plant worth DM 63m. would be a milestone in this field.

Business during the first half of the current year encouraged hopes for a result of which, given the circumstances, the Company wouldn't need to be ashamed.

Review

Group turnover of DM 519m. (1969: DM 499m.) included DM 372m., or 72 per cent. (1969: DM 313m.) in respect of refractories, a relatively higher proportion than in the previous year. A fairly large order book at the beginning of the year, which resulted in a rise of 4 per cent. both in the domestic output of some 746,000 tons and in deliveries of some 718,000 tons, showed a distinct decline towards the end of the year as a result of lower steel output and a general cut-back in investments.

Exports rose from 170,000 tons to 180,000 tons, and the export turnover increased by 6 per cent. This improvement was largely due to the continued modernisation of plants which took up investments of around DM 20m.

Efforts to develop new refractory materials, largely on the basis of synthetic raw materials for use with rising operating temperatures in the steel, glass and cement industries, were stepped up during the year.

Didier-Technik

The divisions and subsidiaries active in this field had a turnover of DM 147m. or 28 per cent. of the Group turnover as a whole (1969: DM 186m.).

The fertiliser plant built by DIDIER at Helwan, worth more than DM 60m. as delivered, with an output of 200,000 tons of calcium ammonium nitrate p.a., was inaugurated at the beginning of May 1971. Didier-Kellogg, the new associate company, received an order from Ruhrkohle AG during its first business year for the erection of 96 high-capacity coke ovens for a throughput of 6,500 tons of coal a day, with chambers which will be the largest yet built in Europe on a novel DIDIER system. A newly developed high-density DIDIER refractory material will also be used for the lining. Plants commissioned during the year included two fertiliser factories in the U.S.S.R. and a polyester fibre plant in Taiwan. Didier-Säurebau remained fully employed during the year. Exports made further progress and resulted in estimates of turnover and earnings being exceeded.

Prospects

In view of the downturn, particularly in the steel industry, output of refractories must be expected to fall. The DIDIER-Technik division, in view of the orders on its books, can still expect to maintain full employment for most of the year; this applies particularly to Didier-Kellogg's coke oven business.

Due to the present general economic situation, the Board of Management is unable to make a precise forecast for 1971 but feels that a certain fall in earnings must be expected.

Profit and Dividend

Net profit for the year, including a balance of DM 151,693.41 brought forward from the previous year, amounted to DM 9,636,213.93. It was accordingly proposed to distribute a dividend of 14 per cent. on the share capital of DM 68m., equivalent to DM 9,520,000, and to carry forward the resulting balance of DM 116,213.93.

The report, the accounts, and the proposals put forward by the Board were adopted.

Supervisory Board (Aufsichtsrat)

Heinz Osterwind, Frankfurt/Main, Chairman; Dr.-Ing. E. h. Edmund A. Bieneck, Wiesbaden, Deputy Chairman; Dr. Dr.-Ing. Fritz Harders, Dortmund; Lichtenberg, Düsseldorf; Felix Alexander Prentzel, Frankfurt/Main; Dr. jur. Wilhelm Winterstein, Munich; Employees' Representatives: Hans Friesecke, Bad Godesberg; Werner Girke, Göttingen; Siegfried Thannhäuser, Duisburg.

Board of Management (Vorstand)

Dipl.-Kfm. Dr. jur. Martin Bieneck, Chairman; Horst Hase, Gerhard Herold, Dipl.-Ing. Ernst-Mahler, Hansgeorg Mann, Dr.-Ing. Hans Stollenwerk.

Didier-Figures 1961-1970 in DMm.

	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970
Share Capital	43.3	45.7	45.8	54.0	60.0	63.0	[illegible]	[illegible]	[illegible]	[illegible]
Reserves	23.1	24.1	24.1	29.5	32.1	33.1	[illegible]	[illegible]	[illegible]	[illegible]
Fixed Assets	41.2	43.6	39.3	41.8	56.4	57.1	58.0	[illegible]	[illegible]	[illegible]
Participations	14.4	18.3	18.2	18.4	23.4	25.9	41.7	40.5	42.7	[illegible]
Net Profit	7.5	8.5	7.1	9.2	9.8	8.4	[illegible]	[illegible]	[illegible]	[illegible]
Turnover	206	217	230	[illegible]	[illegible]	[illegible]	[illegible]	400	[illegible]	[illegible]
Group Turnover	270	[illegible]	297	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Copies of the full report can be obtained from [illegible]

Vehicle and General Tribunal of Inquiry

One year before crash BIA said 'no action yet'

MR. David Steel, an assistant secretary in the Department of Trade and Industry, told the V & G Tribunal in London yesterday that a year before the collapse of the company he made a "kite flying" suggestion that increases in motor insurance premiums might be referred to the Prices and Incomes Board to test the reaction of the British Insurance Association.

He was speaking of a meeting in February last year with BIA representatives at which the financial position of V. & G. was discussed.

Concern

"At this time," he said, "there was a considerable amount of public and political concern about premium increases in motor policies and this was, of course, an aspect I was concerned about in so far as it was relevant to the solvency of V. & G. and my other duties.

"I was flying a little kite to see how the BIA would react if there was any serious suggestion that the matter of premium increases might be referred to the Prices and Incomes Board."

Mr. Steel, who is a senior officer in the Insurance Branch of the DTI, said that at the meeting the view of the BIA members was that no immediate action was required about V & G but they wanted to keep in touch with the Department with what they considered to be a problem.

He said there was a question of inadequate provision for claims and the liquidity of the company.

The first information he had about an increase in V & G premium rates from January 1, 1971 and news of a cut in the company's interim dividend was from a Press report.

Mr. Steel said that in October 1970, as a result of a reply from V. & G. that it was unable to provide the information requested by the Department, he came to the conclusion that they would have to reconsider the question of holding an investigation into the company's affairs. "We had got really as far as we were going to get."

The important elements in his consideration were rumours about re-insurance losses in 1969, and the fact that the 1969 accounts of the company showed that it had raised a loan of £1,000,000

Declining

Another factor he took into consideration was the overall profitability of the insurance industry. He had been told that 1970 was likely to be a bad year with an overall loss of 10 per cent., but it turned out to be substantially larger.

He had also been watching the company's share prices which in 1970 had been declining markedly. This brought to a head a decision to hold an investigation in December of that year.

The Tribunal was adjourned until to-day.

HOME CONTRACTS

Costain to build £5.4m. hospital

Costain Construction has received a contract valued at £5.4m. from the Scottish Western Regional Hospital Board for a district general hospital at Airdrie. It will have 584 beds and one operating theatres. Work is to begin at once, and when completed the total cost of the project will approach £7m.

The hospital will serve Airdrie, Coatbridge and North Lanarkshire, and should come into use, early in 1976.

★

Ferranti Automation Systems Division has won an order worth £50,000 from Ashmore Benson Pease and Co. for a computer control system to be used in a steel-making plant. The order is for an Argus 500 computer.

★

Sydney Green and Sons (Contractors) has received a £1.52m. contract from Colchester Borough Council for the construction of the southern section of the Colchester Inner Relief Road.

The work calls for over three-quarters of a mile of dual carriageway, seven subways, two roundabouts and a surface water sewer with an overall length of 1½ miles. Completion is due in 22 months.

★

John Laing Construction has won a contract worth £1.3m. to build personnel and administrative accommodation for the Army at the Kineton Central Ammunition Depot near Leamington Spa, Warwicks. Work will start this month and be phased over two and a half years.

The company is also to build three dolphin pools at Whipsnade Zoo, Dunstable, under a £110,000 contract awarded by the London Zoological Society. The work is due to be completed by next April.

★

Peterborough Development Corporation has won four contracts totalling £1m.

The biggest, for £559,543, from C. V. Buchan and Co., is for part of the £8m. of main drainage work to be undertaken in Peterborough. The others are from: Holland Construction, worth £228,877, for site preparation; D. and H. Contractors, £58,921 for housing advance site works; and Currall Lewis and Martin, £49,767 for roadworks.

Comprehensive schools: Mrs. Thatcher challenged

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

CAMPAIGNERS in Surrey yesterday challenged the Government's power to dilute local authorities' schemes for comprehensive schooling.

The challenge—based on counsel's advice—is aimed at Mrs. Margaret Thatcher's wish to stop comprehensives from becoming the only form of State schooling available to people living in a particular local authority area.

The case refers specifically to Walton-on-Thames, Surrey. The campaigning group—called Stop the Eleven Plus (STEP)—believes, however, that its arguments could be used to shield any local comprehensive scheme from "modifications" ordered by Central Government.

STEP took counsel's advice after Mrs. Thatcher, Secretary for Education and Science, replied to a comprehensive school proposal by Surrey County Council.

'Free choice'

The reply, dated June 18, approved the council's plan to make Rydens School, Walton, a comprehensive. However, it directed that the plan be modified to preserve "freedom of choice" for parents in the area.

The council had acted "unreasonably," the reply said, in denying freedom of choice to the parents. Those who so wished must be allowed to have their children take an 11-plus test and to compete for places in State-supported grammar schools outside the Walton area.

STEP considers that this provision "would not only mean that Rydens School would be deprived of a substantial number of academically able children (and thus make nonsense of the claim that it was a 'comprehensive' school), but it would also seriously interfere with the curriculum of the middle schools, which would have to prepare some pupils for the 11-plus in the middle of their four-year course (the middle schools take pupils from 9 to 13)."

The campaigners have now sent a solicitor's letter to Surrey County Council (and a copy to Mrs. Thatcher), claiming that the Secretary of State went beyond her powers under Section 68 of the Education Act 1944, in ordering the modification.

"Two separate leading counsels have given opinions to the effect that the Secretary of State's direction is a nullity, and that the local education authority is under no duty to comply with her direction," the letter states.

"Indeed, both counsels go on to express the view that it would be unlawful for the authority (a) to treat its discretion over matters of educational policy as fettered by the Secretary of State's purported direction, and (b) to modify its arrangements solely in order to comply with it."

While STEP has no intention of contesting the point as regards local children who have been selected for grammar schools this year, it wants an assurance that the Surrey education authority will not pay heed to Mrs. Thatcher's directive in future years.

Council meeting

Surrey education committee will be discussing the situation on October 1, and the full county council will meet on October 19. The campaigners hope that the council will then decide to go on with the original school plan.

While STEP would prefer to persuade the council to disregard the central government directive, the campaigners definitely have legal action in mind. "We really do mean business," a spokesman said yesterday, "and as a last resort we would place an injunction to stop the county from modifying the plan.

Swedish Lloyd's new Spanish cargo ship

By James McDonald

THE Swedish Lloyd line yesterday launched in Spain the first of its general-purpose cargo ships from the Astileros Construcciones S.A., in Vigo. Named the Fragaria, she is a roll-on, roll-off vessel of 4,400 tons with a container capacity of 150 units.

Designed to carry containers, flats, trailers, cars and forest produce, the ship will go on the Tilbury - Gothenburg - Halmstadt route.

Last month, Swedish Lloyd announced that the passenger and car ferry, Hispania — at present on the Tilbury-Gothenburg route—would be transferred partially to provide additional capacity on the Southampton-Bilbao run. It was stated then that that was because of additional cargo capacity being built for the Scandinavian routes. The Fragaria is the first of these new vessels to be launched.

REPORT FROM SCOTLAND

BY ANDREW HARGRAVE

Projects that could revive the West

THE ANNOUNCEMENT of a Government- and private enterprise-sponsored feasibility study on the potential of the Clyde estuary coincided yesterday with the publication of the twice-revised plan for Irvine New Town.

This was no prearranged occasion: yet the development at Hunterston and the future shape and size of Irvine are closely linked. Another feature of both is the lack of finality. The Hunterston feasibility study will only be a pointer for the Government and private investors on the market potential of deep water, with a flat hinterland, while the plan for Irvine is deliberately made flexible to allow for a population explosion in the wake of industrial growth at Hunterston.

High stakes

The stakes for both are high. Mr. Hugh Stenhouse, the Scottish insurance tycoon who heads the company backing the study, yesterday stoutly defended the role of Scottish business in shaping the future of Scotland: "My colleagues and I came together because something had to be done in Scotland by Scotsmen," he said. If Hunterston were to be the magnet to attract industry, no Scot should go "cap in hand" for support.

The Government is expected to bear half the cost of the study and is to be closely associated with the aftermath. Yet one might reply to Mr. Stenhouse that the Hunterston issue, including an iron ore and general user terminal, "green field" steelworks, oil refinery, ancillary industries and the rest have been on the agenda for some years.

Since the Metra Weddle Report of January 1969, the first to explore in detail the potential of the Clyde estuary in the light of giant tankers and bulk carriers, we have also had the Oceanspan study—"a strategic concept rather than a plan," according to Sir William Lithgow, the shipbuilder, who is a director of Mr. Stenhouse's company—with a second instalment due next month. Then there was the four-year saga of Chevron and Murco, two U.S. oil companies keen on establishing refineries on the Clyde coast, only to be turned down by successive Scottish Secretaries. With no alternative sites offered. There has been a lobby for the steelworks, if a bit on the timid side.

Mr. Stenhouse says rightly that timing is important. Entry into Europe is clearly in his mind, as it was in the mind of Mr. George Younger, Parliamentary Secretary at the Scottish Office who said yesterday that the whole concept of Hunterston is "on a European scale." It may be. But in those past few years while Scots, including the Government and Scottish business have looked on, Rotterdam, Antwerp, Hamburg, Marseilles and the rest have been investing heavily in new facilities, marketing and improvements.

One hopes Mr. Stenhouse is right about the timing: but there is a lot of leeway to be made up and the feasibility study—if it is to be of any value—may take as much as a year to complete.

What happens at Hunterston over the next 10 to 15 years will, however, have a direct and dramatic bearing on the progress and content of the new town of Irvine, ten miles to the South. Its population projection is flexible, ranging from a target of 120,000-140,000 to an ultimate merger with Kilmarnock making a city region of 200,000 people—or even 400,000 if Hunterston develops its full potential.

Yet Irvine started off as a somewhat unusual new town when the decision to set it up was first made nine years ago. The designated area includes two existing towns, Irvine and Kilwinning, as well as a number of smaller settlements, industry and agriculture. There were nearly 35,000 people on the ground when the first plan by Sir Hugh Wilson was published four years ago, and no fewer than six local authorities.

Changes

Sir Hugh's idea was a necklace-like "spine" eight miles long from which districts sprouted like heads. The new town centre was to be off the spine, with the existing Irvine becoming a distant suburb. There were to be only 55,000 extra people, many from Glasgow overspill.

The development corporation and its general manager, Mr. Dennis Kirby, appointed around the time of the publication of the Wilson plan, had a close look and second thoughts. Kirby, in particular, general manager of another Scottish new town, East Kilbride, was aware of pending major changes in local government structure which would make nonsense of proliferating small authorities. Following the Royal Commission's report this is precisely what the Government is planning—Irvine, Kilmarnock and other towns will become a district in the large West of Scotland region.

He also saw the industrial face of Scotland altering: and being an enthusiastic European as well as a firm believer in private enterprise (he wants Irvine to "break even" in 15 years or less) he and other members of the Corporation, including the chairman, became fascinated with the sheer tourist and amenity potential of Irvine itself.

Here was a pleasant, largely unspoilt town with a go-ahead people (it was among the first local authorities to set up an industrial estate), skilled and peaceful labour force but with a run-down harbour and under-developed sandy beach, and containing three championship golf courses. There was an obvious opportunity to create a major tourist centre: so why bother to create an artificial new town centre just because it happens to be in the geographical middle of population?

So the corporation re-thought the whole concept. The revised interim plan published two years ago reflected the change: and following public debate it was further revised and expanded in the light of more recent events. The result is the handsome volume published yesterday.

Private developers are to be an integral part of the town development and a large proportion of the houses will be owner-occupied. Kirby likes to quote the visiting official from Irvine's Californian "twin" town who asked if there were a place in Britain where anyone could spend £50,000 or £60,000 on a house. Kirby's comment was: "There are not many who do, but we intend to look after them, too."

Aid to growth

While Irvine and Hunterston are planned, unemployment in Ayrshire and in the rest of Scotland is high, and rising. Like Stenhouse, Kirby and Hardie also are looking to Europe as an aid to growth. Irvine has made a start with a Dutch-American chemical concern: and Kirby thinks the time must come when EEC enterprise will come to Scotland where the workers and their skills are under-used. It is there that he sees Irvine's opportunity.

Much of course will depend on progress at Hunterston. If Mr. Stenhouse is right and the timing is right, Irvine will be among the main beneficiaries.

H. A. N. Brockman, Architecture Correspondent, writes: The plans for Irvine have the great advantage of providing a well-established historic nucleus, as regards both an environment and a society with roots. The site lies within a bowl of land undulating from the sea towards the eastern foothills. Four rivers thread through it and provide, with existing woodland, great opportunities for creating an enlarged town of considerable beauty.

The visual basis, worked out with due regard to the preservation of existing amenities and the introduction of sensitively-designed living areas, is the work of a team under the direction of Mr. David Gosling, the chief architect and planner. The main feature of the plan will be to take advantage of existing road and lane patterns to provide "community routes" to be used by public transport to serve the housing areas in between them, with social, educational and other facilities located close to stopping places. Housing will be at greater densities beside the community routes, where private car use is less likely than in the more loosely built-up hinterland.

Residential units will be based on 4,000 people or 1,100 dwellings, set out to encourage varying densities and architectural forms, with walking distances to social and public amenities kept always in mind. Industry, commerce, shopping and tourist developments form the economic core of the plan and the whole will be developed in three phases proceeding eastwards from Irvine Burgh so that the town will retain a compact form throughout its growth.

Trades Union Congress

BLACKPOOL, September 8

Government gave in to French demands on Market, says Feather

BY ROY ROGERS

A call from the Transport and General Workers' Union for a campaign for a general election to decide whether Brtiain should enter the Common Market was endorsed by Congress. At the same time Congress rejected a move from the Clerical and Administrative Workers' Union urging acceptance of the negotiated terms of entry and carried the TUC's General Council report which rejected the terms as being disadvantageous to the British people.

Mr. Vic Feather, TUC General Secretary, opened the debate by listing the General Council's reasons for opposing the terms of entry.

He accused the Government of surrendering to French demands on the Common Market: "Britain could have taken a much stronger line, but the Government threw away a number of its strong cards," he said.

Mr. Feather said he did not believe the terms were the best Britain could obtain. The negotiations "boiled down to a struggle between Britain and France."

The Government could and should have held out for proper and fair financial arrangements. "But it was not prepared to bargain hard. It was ready to join on any terms and threw away its hand. The negotiations were a missed opportunity."

Common Market agricultural policies would have an adverse effect on Britain, and President Nixon's latest measures—to protect the dollar—could not be described as a healthy development. They followed protectionist polices by Japan and the Common Market countries.

Element

The dumping of Community agricultural produce throughout the world had deprived America of markets, so she had retaliated.

"To meet American protectionism with European protectionism would be completely wrong. That would lead us straight back to the 1930s," Mr. Feather warned.

Britain should give priority to agreement among industrial countries on promoting world trade and development. "Britain can play a part in helping to put the international system of trade and payments on a sounder, world-wide footing."

Mr. Feather warned that if Britain subscribed to the Common Market's agricultural policy she would be adding a further restrictionist element in world trade.

We would be putting up barriers against countries like Canada, Australia and New Zealand, and "abandoning a cheap food policy so far as the housewife is concerned."

If food prices increased by 20 per cent., a rich man's total cost of living would increase by about 3 per cent., "but for the family who spend 50 per cent. of its family income on food, its cost of living would increase by 10 per cent."

At a conservative estimate the total balance of payments cost of entry to Britain would be £500m. a year, and trying to reach a balance of that size would be devastating.

"It is precisely through applying the policies needed for that, that we are where we are to-day—with nearly a million workpeople unemployed."

The result of a depressed economy could be heavier unemployment. He accused the Government of conceding the veto to France at future Common Market meetings.

"The French are on to a good thing, and they know it. No wonder President Pompidou smiles. No wonder he begins to look every day more and more like the Mona Lisa."

Moving his union's resolution, **Mr. Jack Jones** (general secretary, TGWU) said the people were apparently not to be allowed a say.

"This Government is saying that the decision that will affect this country for centuries to come will be taken by MPs elected in a general election that hardly mentioned the Common Market and therefore they have no mandate.

Whitewash

"The Government has no right to foist upon Britain an all-embracing and irrevocable change without putting the matter to the test of public opinion. What we are getting instead is not consultation with public opinion but exploitation of public opinion."

Mr. Jones challenged Labour pro-Marketeers to say if they wanted an election on the issue now.

"If they do not, the Labour pro-market organisations are likely to have it said that they would rather have Britain in the Common Market with a Tory Government, than Britain outside the Common Market with a Labour Government."

He accused the Government of "absolute arrogance," and spoke of "a quite unconstitutional government publicity campaign" in support of entry.

The EEC countries' rate of growth had fallen since they joined together. "On the prices side, the pro-Market case has simply fallen apart. The smooth whitewash that the Government tried to put across has not worked.

"It has had to admit that despite recent price increases in this country, it would still need 16 per cent.—it says—to get us up to the levels demanded by the EEC."

Mr. Jones said that some advertisements implied that British workers would be £7 a week better off. But his union had members working on the Continent who with the agreement of the British Government were paid £9 or £10 a week extra "to offset the higher cost of living over there."

The employers would not suddenly "turn Santa Claus" and start handing out extra money and holidays. They would say that with all the extra competition, they would be getting tougher against any pay increases. Greater unemployment would strengthen resistance to union demands.

"We are in great danger if we go in. Britain could become the Northern Island of Europe," said Mr. Jones.

Seconding the motion, **Mr. Dan McGarvey** (president, Boilermakers' Amalgamation) said that neither a Labour nor a Conservative government would have been able to negotiate terms on the basis of the Treaty of Rome which would have been in Britain's interests.

The Treaty of Rome would make more difficult the planning of the economy to overcome shortcomings of the present industrial system. The free movement of capital had contributed to the grave economic and social programmes.

Mr. McGarvey said the Common Market was not a project for the unity of Europe—it sought to divide it. And the countries with the highest standard of living in Europe—Sweden and Switzerland—would remain outside the EEC.

In accordance with the wishes of the General Council the National Union of Bank Employees remitted to the council a motion calling upon Congress to take all steps to unify action with free trade unions in the EEC's member nations.

Mr. Leif Mills, NUBE deputy general secretary, explained that his union was not arguing for or against EEC entry and just wanted the union movement to be in the best possible position to remain effective either in or out of the EEC.

Influence

Mr. Roy Grantham (general secretary, CAWU), moving his resolution, said that to talk about the cost of entry, as the General Council did, without assessing our ability to meet it was quite unrealistic.

If we had been members of the Community our exports would have been considerably higher and the wages of British workers far higher than they were now.

The General Council, he claimed, had made the worst possible balance of payments assessment, and had dismissed completely the undertaking by the Community that if unacceptable financial situations arose the vary survival of the Community would demand the equitable solutions be found.

In the Community, Britain would have a tremendous influence on policies. We would have the power of veto plus the power which came from paying 30 per cent. of the budget. "He who pays the piper calls the tune," he said.

Opponents of British entry, he said, implied that the leaders of the Six had conspired to ruin Britain by imposing upon her the greatest contribution. "No one in Europe believes that. They believe that what the Community has done for Belgium and Italy they will do for Britain," he said.

The most important negotiations would take place when Britain was in the council chamber and not when she was an applicant outside.

He claimed that France knew that the first 10 years of the Community were the "French decade." The second 10 years of the Community would be known as the British decade, when all our problems of accession will be resolved. "France knows that many concessions will have to be made to us," he said.

He said that inside the Community, Britain's employment position would be considerably improved, and the entry would be the best possible thing that could happen to our development areas.

"Our workers won't have to go to Germany to find work. We will bring jobs to them," he said.

In or out of *the Community*, trade unionists wanted to defeat the Conservative Government, but to believe that by voting against entry they could hasten this defeat was an illusion. Not to go in would condemn Britain to slow decay and economic decline.

Paradise

Seconding Mr. Grantham's motion, Sir Frederick Hayday (General and Municipal Workers' Union) said that countries of the EEC had enjoyed increased activity and general living standards since its formation.

The EEC had produced self-generating growth as opposed to the slow, sluggish rate in Britain.

Mr. Richard Briginshaw (general secretary, NATSOPA), urged that a socialist Britain should seek a place in a wider European community than that offered by the EEC. Peace would best be served in this way.

"Our conception of a little Europe remains a cold war conception," he said.

Mr. Ken Gill (technical and supervisory section of AUEW) said that the Treaty of Rome was a businessman's Cook's Tour to paradise.

"That treaty says that competition must not be distorted; lame ducks may die naturally, but Davies' lame ducks are our unemployed members."

The wage earner would be free to wander over Europe like gipsies looking for work. Even the CBI had admitted that British entry would accentuate the drift to the South-East of England. This was a euphemism for the destruction of the North.

"For the trade union movement, entry is the very antithesis of every resolution passed here. Is Congress House to be moved to Brussels? My union would oppose any terms, even bargain terms, which have the Treaty of Rome on the price tag," he said.

Mr. B. Stanley (Post Office Engineering Union), said his union was opposed to entry. "We don't accept that entry on the terms negotiated will be of advantage to the British people, and may be very disadvantageous, particularly to trade unionists and the lower-paid sections of the community."

There would, for many workers, be a reduction in their living standards.

"The nation is divided. *Congress is divided.* The Labour Party and unions are divided on this issue.

"In these circumstances it is totally wrong for the Government to plough on with its efforts to drag Britain into the Community whether the *people* want it or not."

There should be a general election or, failing that, a referendum to find out the views of the people, said Mr. Stanley.

Mr. Percy Coldrick (general secretary, Transport Salaried Staffs Association) said that the people had a right to expect from the Government a full, detailed analysis of the terms of the negotiations and entry. The document *would* necessarily be complicated and vast "but we are not being asked to join a Sunday school outing," he said.

Potential

The people were being asked to take a momentous decision on the basis of less information than was made available for a decision on the third London airport.

"We cannot help thinking that if the arithmetic had been favourable to the Government's case it would have lost no time in publishing it."

He believed that the terms were not satisfactory, and that there was no *reason* to believe that Britain could not develop her full potential outside the Market.

After Mr. Coldrick's speech there were cries of "vote, vote."

Lord Cooper, TUC president, said there appeared to be "a one-way traffic" and he would curtail the general debate.

Top, Mr. Jack Jones, the transport workers' leader, speaks out against the Common Market. Behind him the figures 10,002,204—the number of workers in the TUC. Above boilermakers' leader Dan McGarvey also attacks EEC entry. Mr. McGarvey later spoke in the UCS debate.

£8-a-week pension call

A RESOLUTION calling for an increase to £8 a week for a single person, and £14 for a married couple was passed unanimously.

The resolution also demanded adjustment of pension levels annually "without any form of means test."

Mr. Jack Jones (General Secretary TGWU) said that of all the issues before Congress, no cause was greater than relieving the poverty of the bulk of the country's 7m. pensioners.

"We have to assure them that they are not alone, that they are part of our family and that we accept a collective responsibility to see that they get justice.

"We have to be ready to pay more ourselves, to shift some income from those at work to those who are no longer at work. The wealthy must play their part."

An amendment that Congress should encourage affiliated unions to use industrial action to get improved pensions, was rejected.

Moving it, Mr. Michael Cooley (technical and supervisory section of the AUEW) said: "The gutter Press spends acres of column inches about the killing of one policeman in this city, and the need to end violence. Yet it still condones by its silence the economic killing, prematurely of thousands of old age pensioners every year. There will be no £10,000 reward for the 'killers' of these people.

"We must end the grotesque annual spectacle of old age pensioners around the doors of this Congress, begging us to take action."

Mr. Walter Anderson, for the General Council, supported the motion, but asked if strikes were the kind of action to be taken at the start of a campaign.

UCS: fears expressed over Clydebank yard

BY MICHAEL HAND, LABOUR CORRESPONDENT

MR. JOHN BOYD (Amalgamated Union of Engineering Workers) warned Congress in the debate on the Upper Clyde Shipbuilders crisis that the unions must exert pressure to ensure the present talks on the future of the four yards led to a "sensible" structure which did not just satisfy the immediate demands of the UCS workers but gave them long-term security of employment.

Mr. Boyd feared a possibility that if the Clydebank yard was seperated and reorganised by a private enterprise company "all the old inefficiency and wastefulness could in the long term bring about the downfall of the Clydebank yard."

At the insistence of Mr. Danny McGarvey (Boilermakers' Amalgamation) a card vote was taken on a resolution attacking the Government over the fate of UCS which was held up as an example of the need for ownership of shipbuilding. Mr. McGarvey's call was designed to underline the strength of feeling which exists here over the UCS issue and unemployment generally and predictably his resolution was backed unanimously with more than 9.5m. votes.

Agreements

Mr. McGarvey and other speakers argued that the only *conclusion to be drawn from* the UCS affair was that private enterprise was incapable of solving the shipbuilding industry's problems and providing secure employment to those who worked in it. Without a change there was no guarantee that similar disasters would not overtake other companies in the industry.

Mr. McGarvey also maintained that the unions through demarcation and other agreements had played their part since the Geddes report in trying to avoid disruption in the industry which had continued, however, because of financial mismanagement, he said.

This point was also taken up by the other unions including Mr. Ken Baker (national industrial officer General and Municipal Workers' Union), who said the necessary restructuring of the financies and management organisation of the industry could be *achieved* by bringing it under public ownership.

He also pointed out that every other shipbuilding nation cushioned and protected its industry. "In the face of this severe competition we can only agree with the Shipbuilding Industry Board annual report when it states that 'time is running out for the industry to plan ambitiously for increased output'."

There were continuing appeals for more cash aid for the UCS workers in what Mr. Boyd described as their fight for the right to work. "Because of the importance of this struggle to workers everywhere don't let us down," he appealed.

Mr. McGarvey saw the UCS workers' campaign as a possible starting point for "complete renewal of the industry under public ownership."

The unity and determination which had been shown by the workers and their unions over the crisis was, Mr. Vic Feather TUC general secretary, claimed, the reason for a change of heart by the Government over UCS.

After charting the TUC's role over UCS Mr. Feather added: "Cautiously I say this. The Government is now responding in some degree to what the unions have been saying, and we *will continue* the pressure to ensure that the talks that are continuing have a positive and satisfactory outcome."

Changes urged in patent laws

CHANGES IN the British patent system and laws to improve the lot of inventors were sought in a motion moved successfully by the Association of Broadcasting Staff.

Mr. Tom Rhys (general secretary, ABS) said many of his members employed by the BBC were *obliged* to sign away their common law *right* in respect of processes invented. Quite often a worker would have to sit back while the patents for his inventions were assigned to private industry or even to foreign competition.

'Dangers' in chemicals

STERNER CONTROL over the use of chemicals in the farming industry was urged in a motion from the National Union of Agricultural and Allied Workers *which* was *carried* unanimously by Congress.

Mr. G. S. W. Hall, moving the motion, declared that his union was concerned both for the safety of its members and for the longer term well-being of the consumers.

Cheap imports 'threat'

THE ELECTRICAL and Plumbing Trades Union remitted to the General Council a motion calling for immediate action to halt the off-loading of cheap foreign electronic components in the U.K.

Mr. E. Hadley (EPTU) said that unless *immediate* action was taken it could mean the end of Britain's electronic components industry.

Imports from U.S.-owned companies in Taiwan and South Korea, which employed cheap labour and often child labour, were seriously hitting the U.K.

These imports had jumped 80 per cent. between 1969 and 1970, *said Mr. Hadley*, who *warned that* a situation similar to that in the U.S. where 90 per cent. of all radios and 50 per cent. of all television sets were imported was foreseeable here.

Top picket

MR. CLIVE JENKINS, general secretary of the Association of Scientific, Technical and Managerial Staffs, and other members of his union's delegation to the TUC spent an hour with a picket of striking hospital technicians at the Victoria Hospital, Blackpool.

The strikers were taking part in a national two-day strike of hospital technicians called by ASTMS. The union says that talks over a £300-£600 a year claim have been going on too long.

'Nationalise the film industry'

A CALL FOR the nationalisation of the British film industry, without compensation and under workers control, was supported unanimously by Congress.

Moving the motion Mr. George Elvin (president, Association of Cinematograph, Television and Allied Technicians) told delegates of the total failure of the present privately owned system of film production, distribution and exhibition to provide work for those in the industry and also to ensure film production.

The majority of recent British films had been financed to some extent by the National Film Finance Corporation, which was now to have its Government subsidy reduced.

Seconding the motion Mr. R. Battersby (ACTT) explained that the film industry had also suffered from the withdrawal of U.S. financial backing. In recent years some 90 per cent. of British films had been supported to some extent with U.S. money. Now the industry was in a position where it reflected the current dollar crisis.

Mr. Lawrence Daly (general secretary, National Union of Mineworkers) moved a resolution, which was carried unanimously, condemning Government policy towards nationalised industries and the public services in general.

It called upon the General Council to oppose by all possible means any moves undermining or restricting the quality and scope of those industries. The motion also condemned the hiving-off of profitable parts of the public sector and called upon the next Labour Government to restore those sections to public ownership, without compensation.

Mr. Daly said the motion asked for a reversal of the decisions of the "Westminster Mafia" against the nationalised industries. The Government's measures were designed as a reward to their business friends who helped them so generously in the last general election.

He welcomed the Labour Party's national executive decision showing its intention of returning hived-off interests to public ownership without compensation as a deterrent to those looking for a potential bonanza.

Consortium will study industry for Hunterston

BY ANDREW HARGRAVE, SCOTTISH CORRESPONDENT

GLASGOW, Sept. 8.

A CONSORTIUM has been formed, with Scottish Office backing, to promote a major feasibility study into port-associated industrial development at Hunterston, in the Clyde Estuary. The main objective is to establish the viability of a deep-water port, particularly in view of a British entry into the European Economic Community. A second aim is to see what industries could be attracted.

The chairman *of the* Hunterston Development Company (authorised capital £500,000) is Mr. Hugh C. Stenhouse, chairman of the international insurance broking company Stenhouse (Holdings). The other directors are Mr. A. G. McCrae, chairman of the Clyde Port Authority; Sir William Lithgow, deputy chairman of the Lower Clyde shipbuilders Scott Lithgow; and Sir Edwin McAlpine, the builder.

Announcing formation of the consortium to-day, Mr. Stenhouse said negotiations were in an advanced stage with "consultants of international standing." He hoped for an interim report within a few months, but the *final feasibility* study might take as much as a year.

The Scottish Office, I understand, is to bear half the cost of the study, which might run into between £150,000 and £200,000. An important feature of it will be the practicability of reclaiming up to 1,000 acres of foreshore to the north of the proposed deep-water harbour, a project which, at present-day prices, could cost £8m.

Speaking of the project as a whole, Mr. Stenhouse said that if the results were favourable, "further capital will be sought to proceed with further planned development." The support of the Scottish Office was indicated by the presence of Mr. George Younger, Under-Secretary for Development, at the Press conference at which the announcement was made.

Mr. Younger *confirmed* t[h]
the Government was "prepa[red]
in principle" to join the c[on-]
sortium in commissioning a[nd]
financing the study which,
said, would not "prejudice
decisions on particular industr[ial]
projects nor the outcome
current government studies
future demand by b[...]
processing industries for la[nd]
adjacent to deep water."

In running

Mr. Younger was obviou[sly]
referring to the British St[eel]
Corporation's deliberations
the need for additional st[eel-]
making and iron ore receiv[ing]
capacity. Hunterston is in
running for both.

Within the past year,
Gordon Campbell, Secretary
State for Scotland, has tur[ned]
down an application by
Chevron Oil Company for
refinery and terminal at Hunt[er-]
ston though, it is understood,
feasibility of building on
inland site has not been enti[rely]
ruled out.

The study announced to[day]
follows earlier, less ambiti[ous]
studies by the Metra-We[...]
Organisation and the Ocean[...]
Report sponsored by the Sco[ttish]
Council (Development and [In-]
dustry), with Sir William [Lith-]
gow as the co-author,
concerned deep water port
associated developments at [Hun-]
terston.

Commenting on the study,
James Jack, general secretar[y of]
the Scottish TUC, said these [were]
not the times for "doctrinal [mis-]
givings." A development
Hunterston held the prospect
a not inconsiderable numbe[r of]
jobs.

But he insisted that could
be to the exclusion of a
complex and iron ore term[inal]
"This will be made crystal [clear]
when we meet the secretar[y for]
Scotland next week," Mr.
added.

See Report from Scotland, P[...]

Poor management caus[es] mental stress—report

A CALL for the Government, the CBI and TUC to take mental health at work "far more seriously," comes to-day in a report published by the National Association for Mental Health.

Based on evidence given by NAMH to the Robens Committee on Safety and Health at Work, the report points out that mental ill health is a far greater cause of loss of production and industrial efficiency than strikes or "go-slows." Days lost through strikes last year totalled 10.97m. compared with 36.66m. lost through mental illness.

Growing

Mental illness, says the report, is now the second fastest growing cause of days lost from work. It claims more working days than influenza and the common cold together and more than the whole range of accidents.

The Association recommends:

1 Research into the mental health aspects of employment, by the Department of Employment, the CBI and TUC.

2 Management training schemes to consider the human consequences of managerial decisions.

3 All large factories and firms to be required to establish their own health services. Members of these and existing industrial health services would be required to have training in mental h[ealth]
and the "services" might [be]
financed in a manner simil[ar to]
the industrial training levies.

4 Establishment of an oc[cupa-]
tional health service withi[n the]
National Health Service to
the working population no[t in-]
cluded within 3.

The occupational health
the report suggests, would op[erate]
under local authority dire[ction]
and consist of physicians, n[urses,]
welfare officers and social wo[rkers]
and work closely with the G[P ser-]
vice.

"There are good reasons f[or be-]
lieving that the developme[nt of]
industrial and occupational h[ealth]
services would lead to early [identi-]
fication of stress signs and c[onse-]
quently a reduction in sic[kness]
absence," NAMH says.

The association agrees
the Office of Health Econ[omics]
that "one of the keys to th[e mini-]
misation of sickness ab[sence,]
particularly of short term ab[sence,]
is in the hands of managem[ent]"
and with the British Institu[te of]
Directors Medical Centre s[...]
that "poor organisation w[ithin]
companies is a major cau[se of]
stress."

Mind Report No. 8 Stre[ss at] Work. National Association [for] Mental Health, 39, Queen [Anne] Street, London W1.

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● COMMUNICATIONS

£10m. telephone exchange contract

ONE of tha most significant aspects of the £10m. contract awarded by the Post Office to Plessey for the expansion of Britain's links with the outside world through the massive new Mondial exchange is the amount of money which is being devoted to the continuous monitoring of the performance of the exchange equipment and to determining exactly what subscribers owe the Post Office and the foreign PTT's whose services they are using when speaking to a subscriber abroad.

The new Plessey contract contains a sum of £1½m. for the equipment which will do this job, divided as to £½m. for hardware and a staggering £1m. for the design and software costs for the system which will form the connection between the switchgear for the messages and the bills going out to users.

Mondial House, currently being built on a 2½-acre site near Cannon Street station, London, will contain this first major section of what will be a unique system in world telecommunications—unique, that is, from the viewpoint of its having been conceived as an integrated job where performance and costing are treated as one job with the actual procedure of seeking and obtaining connections outside this country.

A great deal of the pioneering work for what is basically a single-tender contract awarded to Plessey was done at the "guinea-pig" Wood Street international exchange in London, also carried out by Plessey Telecommunications. It has won tha company something like half the ultimate 18,000 circuits under the present award and it would be astonishing to say the least if Plessey did not get the other half of the contract which would add several millions to the present £10m. job.

Mondial will be based on Plessey's crossbar 5005 equipment simply because, according to Dr. B. P. Willets, managing director of Plessey Telecommunications, no other system—including electronic switching—is yet able to meet the requirements of the Post Office in respect of a big gateway exchange such as this.

There will be three main areas in the new exchange, where equipment installation begins next year and operation is intended to begin from the end of 1973. These are the international switching centre, the international transmission maintenance centre and the international accounting and traffic analysis equipment centre.

The equipment to be installed in this last centre is of more than passing interest. It is based on two PDP-10 computers and three PDP-11 machines from Digital Equipment Corporation of the U.S. which has a major operations centre at Reading and manufacturing facilities in Galway. But it also includes a lot of diagnostic units of Plessey design which have aroused interest the world over, including approaches from the technical side of ITT in the United States.

This equipment does two distinct jobs—to keep a log of traffic with every PTT organisation with which the exchange is linked (51 countries of which 29 are in Europe) and to keep a log of the performance of the 8,400 lines the centres ultimately will serve.

Maintenance consoles looking directly at the work of the 16,000 sets of 5005 crossbar equipment—the ancillaries in which ATT is interested—will permit staff to keep a watch on test or live calls to find out how the equipment is carrying out its functions of switching and transmitting signals.

The Plessey staff who have led the work on this integrated concept believe there is nothing comparable, even in the U.S. with its far greater resources when it comes to applying advanced technology in everyday life.

For the man in the street, the gradual introduction of the new facilities will mean faster connection to existing destinations, it could mean many more direct dialling services abroad.

● COMPUTERS

Large-scale machines launched

SIMULTANEOUSLY in London and the U.S. the Digital Equipment Company yesterday announced a new family of large-scale computers known as DEC System-10. Although the company has been producing large machines for some years most people think of them as specialists in small computers. But the company do not see the new large family as a change of emphasis and affirm that their mini-computer interests are still expanding.

It is also, perhaps, surprising that DEC should announce a family of large computers when there are so many other companies in the field and the present market situation, on their own admission, is not good.

However, they justify the step in two ways; they expect the market situation to improve and they claim their system offers a price/performance advantage over comparable equipment carrying names like IBM and Univac.

Delivery dates on the five systems vary from late 1971 to mid-1972, and price ranges from under £200,000 to over £1m. There is a possibility of manufacture in the company's Galway facility should the European market demand it.

● SERVICES

More guesswork than fact

LONG-AWAITED first-quarter figures on U.K. computer service companies'—as distinct from bureaux—performance reveal little that is not almost pure conjecture.

Giving the first official statistics on what the software industry and the bureaux are doing, the report, released yesterday, indicates a combined turnover of some 90 per cent. of the companies involved as £16.7m. The services industry therefore emerges as one with current annual turnover probably over the £50m. mark and thus already a significant ingredient of the country's business activities.

But when it comes to extracting the figures which relate to the work of the bureaux selling computing services as distinct from software and systems analysis jobs, the report is on somewhat uncertain ground.

A figure of £12.7m. is extracted from the £16.7m. as representing pure bureaux activities. This is set against the £13.4m. for the last quarter of 1970 and the conclusion is drawn that bureaux activities—which on previous statistics from the same source had been growing at an annual rate of 30 to 40 per cent.—had turned down in the first quarter, although this indication is given with all the necessary caution.

It is too early to formulate any opinion on how the two wings of the industry are behaving. Probably two or even three inquiries will have to be carried out on their normal quarterly basis before the figures settle down and it becomes clear exactly how the activities are subdivided.

Turnover

Indications are that the annual turnover of all the software houses is of the order of £20m. but is probably somewhat less than that in view of depressed conditions in that industry.

It is not shown how many people work for software houses and the 5,400 working on consultancy programming and analysis probably includes many of the bureaux' software support teams. However, even at 5,000 in the software world, the yield per man would already be higher than the extremely low rate recently indicated in the Logica report. It is undoubtedly much higher, though whether it is as much as the Software Houses Association's own estimate of £6,000 per man remains to be seen.

The new survey shows an extremely high figure of £70m. for the hardware used by the service organisations. The capital value given in the previous report was very much less at £51.3m. It also gives figures of 720 for the terminals used by clients of the bureaux but warns that there may be an element of double-counting.

The total staff figure for the combined survey is 15,759 full time and 1,245 on part time which compares with the 12,906 for the bureaux in the previous study. The temptation is to assign an employment figure of about 3,000 for the software houses and conclude that per man turnover is more than £6,000. But it is too early to make any such assumption.

● RESEARCH

Test house is approved by BSI

OFFICIAL approval for the environmental testing of electronic components under the BS 9000 scheme has been received by Rondes Place Research Laboratories of Dorking, Surrey, from the British Standards Institution.

The laboratories provide manufacturers, importers and stockists with an environmental testing service to BS 9000 or BS 2011 on a completely confidential basis. The policy will be to extend the present range of test facilities as further specifications are published and the detailed test requirements become known.

Testing the soil

THE possibility of testing a soil's need for nutrients, rather than a plain analysis of soil content, emerges from work done at Penn State University, University Park, Pennsylvania, U.S.

The method uses a chemical solution having all the elements needed by plants. Soil under test will be applied to the solution and will take up the nutrients it needs. Analysis of the residue will show what was taken and, therefore, what the soil needs.

Work on the method is still under way. One problem is that ions of different elements have differing attractions for soil. However, once this has been determined and balanced, the solution will be ready for calibration.

The advantage is that constant monitoring of fertiliser elements will not be necessary. Instead, the soil will be checked to see what is needed, thereby showing any deficiency in the sludge or trace elements routinely applied.

● METALWORKING

Die-making group

FIVE tool-making companies have formed a group to offer mould-making capacity to the plastics and die-casting industry overseas. Trading as Exportools, the group consists of Barber and Duffy, Moswell Tool Company, Mouldmakers (London), Moulding Tool Units, and Wheeler and Clinch, while Roy Manns, Salmon and Associates will administer the company from 65 Western Road, Hove, BN3 2JQ.

Plant available includes tape-controlled boring and milling and die-sinking machines up to 80 x 56 x 24 inches, and a range from intricate precision moulds weighing less than 250 lb. up to manufacturing moulds of 12 tons in weight for moulding machines up to 5,000 ton/lock.

● INSTRUMENTS

Sensitive flat-bed recorders

HAVING already sold some five-and-a-half thousand of their existing series of flat-bed recorders since introducing them in the early 1960s, Smiths Industries of Wembley Park Drive, Wembley, Middlesex, have now completely updated the range with the new 1S series.

Maximum sensitivity has been improved to 200 microvolts full-scale deflection from 800 in the previous range and there are 17 ranges out to 500 volts plus an overlapping scale expansion control.

Instruments can be provided to give linear, linear logarithmic, linear with integrator and linear logarithmic with integrator recording, all on 200 mm. or A4 paper.

In addition, the makers have cut the response time to less than half a second. Recording accuracy is plus or minus 0.5 per cent. of fsd and resolution is plus or minus 0.25 per cent. of fsd. Calibrated zero suppression is an added refinement. The zero point can be backed off in four calibrated steps of 100, 200, 300, or 400 per cent. of range full-scale setting.

The recorders have chart speeds from 30 mm. per hour to 600 mm. per hour. Operating temperature range is minus 10 to plus 50 degrees C. and temperature error is less than 0.1 per cent. per 10 degrees C.

A rather unusual feature is what Smiths describe as "the non-modular approach." They believe that to offer too many operating options to the user is confusing. Instead, they are working on the retrofit principle, by which the machine goes back to Smiths for an option to be added and is then re-delivered virtually as new.

Options that can be provided for the 1S range include retransmitting slidewire, two event markers, remote control of chart-drive motor and of pen lift, upper and lower limit contacts and a 19-inch rack mounting kit.

● MATERIALS

Backing prevents grinning

CARPET backing which is claimed to overcome many of the disadvantages of other types is being produced by Low Brothers and Co., P.O. Box 54, Dundee DD1 9JQ.

Called Needleweave, it is a woven polypropylene tufted carpet backing, needle-punched with nylon or other fibres to obtain a smooth uniform product. It prevents grinning through the pile, will accept the same dyestuffs as dyed nylon carpets, produces a level pile, accepts latex for anchor coating, is non-fray, minimises necking, roping and skewing, and improves handle and dimensional stability.

It is stated to be suitable for coarse to fine gauge tufting with low level-loop pile; primary latex carpets, jute secondary backed carpets and most types of foam backed carpets; shag carpets for either piece dyeing or those incorporating dyed yarn; carpet tiles; and sample swatches—in the last three applications the non-fray characteristic is important.

Resistant industrial flooring

COLLABORATION between ICI and Taylor Woodrow has produced a new flooring which, it is claimed, has excellent chemical resistance and over five times the wear resistance of granolithic concrete.

The flooring material, called Rescon, is based on a polyester resin mixed with a graded hard silica/flint aggregate. It has been developed for application to sound concrete, concrete screed, granolithic and other rigid substrates, and is laid to a nominal thickness of 6 mm.

Foot traffic is acceptable four hours after laying, and vehicular traffic after 24 hours. It is stated that the material is not affected by low temperatures and can be laid at any time of the year. It has good resistance at normal temperatures to a wide range of chemicals, including alcohols, aliphatic solvents, animal fats, bleaching agents, detergents, dilute acids, oils and sugars, and will withstand normal spillage of boiling water and cooking oil.

Rescon is self-extinguishing, and has a low spread of flame rating. Unlike vinyl or asphalt surfaces it is resistant to indentation under long-term static loading.

The material is available in grey, buff, green, blue and brick red, each with a blue or white flint aggregate. It is marketed by Taylor Woodrow Construction, Ruislip Road, Southall, Middx.

● PRODUCTS

Counting by pneumatics

FLUID-MECHANICAL counters operating at up to 50 counts per second are now available for installation in areas where electricity might present a spark hazard.

Pressure of only 8 ozs per square inch is sufficient to operate the counters, although they can also be operated at as much as 110 lbs per square inch. The pulse of air moves a diaphragm whose pawl turns an index wheel half a step. Removal of pressure permits a spring to move the wheel the other half. This means that pulse length is not critical, explains Kessler-Ellis Products of Atlantic Highlands, New Jersey, U.S.

Re-setting is done by a stronger pressure, 5 to 110 lbs per square inch. The company claims an operating life of 100m. counts and says it will operate in ambient temperatures from 32 to 160 degrees F.

● TRANSPORT

Milk collection experiment

FOR collecting milk from confined farmyards with awkward approaches, without an uneconomic increase in mileage, the Milk Marketing Board is evaluating a narrow, shortened wheelbase Leyland Redline Mastiff two-axle tanker lorry used with a larger capacity drawbar trailer.

Tank capacity of the lorry has been reduced to 1,300 gal., but the trailer can hold 2,600 gal. The idea is that the Mastiff will park its trailer at some convenient point, and travel solo round the farms until it has a full load. It returns, pumps its load into the trailer, and sets off on another tour. After transferring the second load, the lorry does a third loading run before re-coupling to the trailer and returning to its depot.

Manoeuvrability of the lorry has been enhanced by reducing the wheelbase to 11 feet, the overall width to 7 feet 9 inches, modifying the axles and fitting 9.00-20 Michelin X tyres. The vehicle is now plated at only 13½ tons g.v.w., and fully loaded scales 12 tons. Its 167 h.p. Perkins V8 engine is needed for pulling the trailer.

The lorry carries a stainless steel tank which is vacuum loaded by sucking the milk from the farm storage tanks. It can be pressurised to 8 psi to blow its load into the trailer. Both methods of load transfer are by a single Drum Engineering air-vacuum pump.

The trailer (assembled by Mickleover Transport) has a tank of filament-wound grp (made by Gloster Saro) made possible because it will not be used as a pressure vehicle, as it is loaded by the lorry and unloads by gravity.

Rubber suspension

Norde bonded rubber sandwiches, loaded in combined compression and shear, are used in pairs at each end of the axles to provide soft progressive springing on the trailer. Axle location is by A-brackets located between the frame and the centre of the axles.

Air brakes are supplemented by spring parking brakes, which reduce the number of manual operations required when coupling and uncoupling, as they are applied automatically. A separate air reservoir and hand valve are fitted so that the brakes can be released for shunting the trailer.

The 15-ton plated weight of the trailer provides a payload of 2,600 gallons of milk. It is intended that one man will be able to handle the outfit, so the drawbar is spring loaded to towing hook height, and a Ringfeder automatic coupling (supplied by Davies Magnet) is fitted to the lorry. This has a funnel-shaped guide, which makes it possible to achieve automatic coupling with a misalignment between drawbar and hook of up to 12 inches.

This experiment in milk collection is initially being carried out with one outfit. It will go to several Milk Marketing Board depots for evaluation under various working conditions. When a full study has been made of the operating costs, driver reaction and general practicability of the idea, the Board will decide whether to proceed with the scheme.

next time you're considering stress relieving look in your waste paper basket!

We're not suggesting that you actually use waste paper for process heating. But one 'phone call could give you the answer to two problems. Just ring Dowson & Mason.

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But just before you contact Dowson & Mason about heat treatment and baling, check your incineration requirements and take a look at your transport fleet. You might as well find out about some of the most advanced incinerators and semi-trailer landing gear while you're at it!

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W 275

I wonder how...

Photograph by courtesy of MoD(N)

...they manage to stay submerged so long?

Not so long ago submarines had to come up for air (or more precisely to recharge batteries) at fairly frequent intervals but the new class of British submarines can stay submerged for months on end. How can these vessels now stay beneath the sea for so long?

One reason is a source of power that requires no refuelling in the normal sense. In fact the pressurised water nuclear reactor providing steam for propulsion turbines and turbo-generators doesn't even breathe air. It doesn't pollute.

The crushing hydrostatic pressures of ocean deeps are securely held by special high strength materials cleverly assembled in these hulls. And, of course, new welding techniques and technical standards had to be developed. The higher the strength, the trickier the welding.

Then the biochemists and physiologists got busy on what they describe as environmental conditions. They produced electrolysers extracting oxygen from sea water, equipment removing dust and CO_2 from recirculated air, distillers making fresh water whilst encompassed by sea water, and even refrigeration for domestic purposes.

Vickers had to get *these* answers right and there were many other answers to follow.

Vickers know how to build and assemble submarines, or, for that matter, ships that stay on top. Or printing machinery. Or office equipment. Or a piece of machinery for putting the cap on your bottle of beer.

On September 7th, 1971
Lady Pollock
launched the latest
nuclear-powered 'Fleet' submarine
HMS Swiftsure
at the Vickers Shipbuilding Works
Barrow-in-Furness

A new series of fact sheets covering these and other activities of Vickers has just been published. If you would like a set please write to the Publicity Department at the address below.

Vickers Limited
Vickers House Millbank London SW1

VICKERS

CLOTHING INDUSTRY REPORT

Sales surge ahead, but profits scarcely rise

BY JOHN TRAFFORD

Sector	No. of Cos.	Sales £m.	Profits to assets %	Profits to sales %
Children's wear	17	12.4	14.1	7.2
Shirts and nightwear	21	30.6	10.5	6.4
Men's outfitters	17	176.6	9.9	11.4
Corsetry	17	43.3	9.8	6.9
Women's outerwear	66	104.4	9.8	5.9
Men's outerwear	45	57.6	9.7	6.0
Workwear and protective clothing	16	10.2	9.7	5.8
Lingerie	9	4.2	8.0	5.0
Rainwear	12	22.8	4.6	3.0
Others	39	128.1	10.2	7.1
Total	259	580.8	9.9	7.9

DESPITE BOOMING sales, profits earned by the clothing industry in the financial year 1969-70 scarcely edged up at all, according to a report by the Little Neddy for the Clothing Industry, published yesterday.

The report, the fifth of its kind covering the financial performance of the industry, gives detailed information extracted from the accounts of 259 clothing companies.

On the key question of profitability, defined in the report as profits as a percentage of total assets, the children's wear sector comes out best with an average of 14.1 per cent. At the other end of the scale, rainwear makers did worst with a profitability average of only 4.6 per cent.

Among individual companies, the women's outerwear manufacturer Peggy Page, of the Raybeck group, was top of the profitability league with 63.7 per cent. The now-defunct George Silverman, of Cope Allman International, was bottom with −24.9 per cent.

Largest company in terms of assets and sales was the Burton Group, with £86.7m. and £8m. respectively. Wardson Manufacturing, the women's outerwear maker, achieved an exceptional 7.0 ratio of sales to total assets.

Speedier process

Top of the export table was Selincourt and Sons with £2.56m. out of £23.65m. total sales. Invertere Coat exported 55 per cent. of its sales, the highest proportion among the 259 companies.

In a bid to meet the criticism that its league tables are far too out-of-date, the Little Neddy has speeded up the process of collation and publication.

The latest report comes 17 months after the end of the accounting period which it covers, compared with 21 months for the 1968-69 report.

Mr. Peter Parker, the chairman, says that the delay in companies filing their accounts at Companies House had made it difficult to achieve any greater improvement.

Market trend

Comparison of the two most recent reports highlights some major differences. The earlier one showed corsetry and women's outerwear as the most profitable sectors; in the more recent one they have dropped to fourth and fifth places.

The explanation lies in the choice of companies included in each sector as well as in market trends. In children's wear, star of the 1969-70 report, three of the four most profitable companies were not in the 1968-69 version.

To take account of the anomalies which arise by including some companies in one report and excluding them from a subsequent one, a supplement is being distributed with the 1969-70 report in which the results of 185 companies included in both recent reports are compared.

The analysis shows that despite a 16 per cent. rise in sales, profitability after adjusting for asset revaluation fell from 10.1 to 9.6 per cent., and total profits before tax rose by little more than 1 per cent. With increases in dividends, taxation and interest charges, profits retained actually fell from £7.4m. to £6.0m.

Sector by sector, the trend has a large measure of depressing uniformity. Sales advanced well, particularly on the export front, but profits in most cases declined. Only in men's outfitting, children's wear and nightwear and shirts did profits actually rise.

Profitability

Profits in rainwear fell by 35 per cent. and in children's wear by 9 per cent.

The tables give a number of ratios as well as the profitability level. Profits on sales, sales to total assets, sales per employee and percentage of exports are all included.

The Little Neddy says that it hopes the ratios will at the very least help management to ask the right questions concerning their company's performance compared with their competitors. The chairman welcomes suggestions on how the tables should be improved.

"Financial Tables for the Clothing Industry 1969-70," National Economic Development Office, S.W.1. Free.

Road Transport ITB cuts deficit

BY RAY DAFTER

DESPITE an expansion in many of its activities, the Road Transport Industry Training Board last year reduced its deficit on the accumulated fund by £1.25m.

The deficit for the year ended March 31 was £4.87m. The Board says it is hoped that this fund will be in balance by mid-1972.

Statistics for the training year August 1, 1969, to July 31, 1970, showed that 286,000 employees in the industry underwent grant-worthy training, some 31.6 per cent. of all workers.

Over the period, nearly 4.3m. days were spent in training, an increase of 5 per cent. on the previous year and 1.8 per cent. of all possible working days.

The report lists among the most significant changes in 1969-70, compared with the previous year: an increase of 1,310 (5 per cent.) in the number of employers undertaking grant-worthy training; the amount of time spent in off-the-job management training, which more than doubled; the increases in numbers of apprentices in the passenger transport sector (up 11 per cent.) and road haulage sector (up 26 per cent.); and the major increase in training in the road haulage sector encompassing all occupations (up 7 per cent.).

Manpower surveys carried out by the Board have resulted in the preparation of a five-year strategic plan to ensure that training facilities will be available to meet the forecast requirements.

The plan requires that by 1975-1976 at least 60 per cent. of the managers and supervisors now employed in the industry will undergo approved training, and that two-thirds of all managers will have approved job descriptions.

It is expected that 500 new graduates would be recruited to the industry each year, and that an average annual total of 5,000 newly appointed managerial staff would receive approved training.

Road Transport Industry Training Board, report and accounts 1970-71; House of Commons Paper 498; SO, 80p.

Offshore Marine: 2 more ships

By James McDonald, Shipping Correspondent

OFFSHORE MARINE (a Cunard subsidiary) has placed an order worth about £1.5m. for two tug supply vessels for delivery in 1973 with Richards (Shipbuilders) of Lowestoft, part of the *Tate and Lyle group.*

This is the first order for new ships to be placed by Cunard since the take-over of the company by Trafalgar House Investments two weeks ago.

The ships will operate within the Offshore Supply Association consortium—Europe's biggest operator of supply and service vessels to the offshore oil and *gas drilling* and *construction* industry.

Each of the 700-ton vessels will have a speed of about 14 knots and a bollard pull of around 50 tons. They will have an "omni-direction" bow thrust unit giving a thrust of three tons for maximum manoeuvrability when serving offshore drilling rigs.

When the ships come into service they *will* bring the Cunard Offshore Marine fleet up to 22 vessels, and will raise the total Offshore Supply Association fleet to 60 vessels in 1973.

Offshore Marine's partners in Offshore Supply Association are the German companies Hensa, of Bremen, and V.T.G.

N. American fund managers to visit U.K.

TWENTY North American fund managers, responsible for the management of $35,000m. of assets, are coming to Britain next week to attend a conference which will "familiarise them with the U.K. investment scene."

During the visit, organised by Singer & Friedlander and Reynolds Securities Inc. (a New York brokerage house), the delegates will be addressed by Mr. John Davies, Secretary for Trade and Industry, and by Mr. Geoffrey Rippon, the Government's chief Common Market negotiator.

Other speakers include chairmen and directors of leading U.K. industrial groups and financial institutions. The party will visit the Stock Exchange and Lloyd's and also the Midlands and Scotland.

GREEN SHIELD PLACES £1M. ORDER WITH BPC

The British Printing Corporation is to print 12m. copies of the Green Shield Trading Stamp Company's catalogue for 1972. Valued at nearly £1m. the order calls for a 144-page catalogue, which will be printed gravure by Purnell and Sons.

BPC is at present delivering the 1971 catalogue. It contains 120 pages, and 9m. are being produced.

In some areas, land prices for private housing have risen 15 per cent. in the last four months alone, compared with a national average of only 2 per cent. during the whole of 1970

Soaring land prices shake house building recovery

BY MICHAEL CASSELL

A SITUATION which both the Government and the building industry has been struggling to avoid since the end of last year has now arisen, and threatens to damage the current revival in private house construction. The substantial rise in the number of private homes now being built has, as they feared, exposed a widespread shortage of suitable development sites; and the scramble for every potential building plot is having a remarkable and unwelcome effect on land prices.

In 1970, house building activity reached one of its lowest points in recent years. Sales were slow and a surge in materials costs made most builders reluctant to embark on new projects. A high stock of existing homes also helped to keep the average rise in land costs down to a mere 2 per cent., which represented a price fall in real terms.

Now, however, reports from builders suggest that with the return of confidence to at least this sector of the construction industry, prices in areas of greatest shortage may have risen by as much as 15 per cent. in the last four months alone—and there is every sign that the spiral is far from complete.

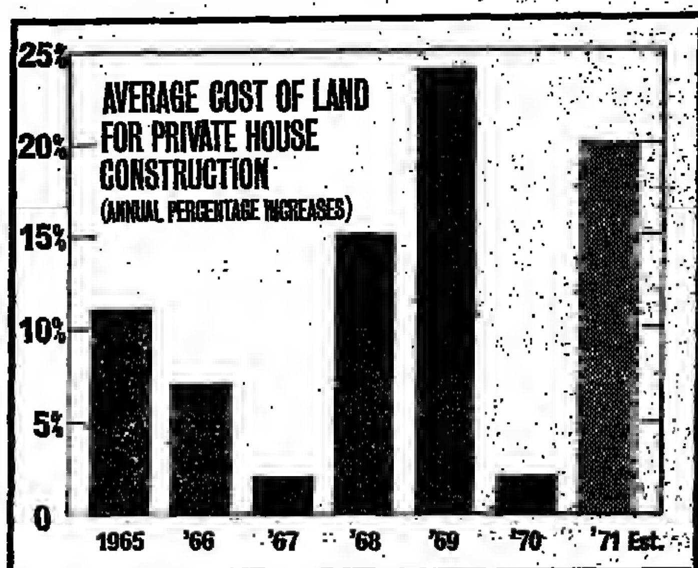
By the end of last year, Whitehall realised that if the coming 12 months were to herald a return to a higher level of housing activity, more land would be urgently needed.

Total failure

In December, Mr. Graham Page, Minister of State for Housing, issued a circular to local authorities asking them to look at what land they were holding and to see, whatever their previous plans had been, whether they could release it without delay.

The builders, who had become more and more anxious about a possible land crisis as prospects for a housing revival increased, welcomed the move as "a splendid initiative," but warned that they would judge it by results. Returns by February and March showed the employers' federations that the circular had, in fact, little effect, and by the middle of this year the builders were calling it a total failure.

One clear pattern did emerge from Mr. Page's initiative. In areas where there was no land shortage, local authorities had shown their readiness to co-operate with private builders, while in regions *starved of suitable* land the councils had in many cases reacted with a blank refusal to consider the situation.



Builders are used to the arguments, often perfectly valid, put forward by local authorities in refusing to release land. They are also well aware of the frequently inbuilt opposition to construction programmes, an opposition which shows itself in a variety of ways.

A council is likely to say that overall development plans for the area in question are not finalised, that expenditure on the sewerage facilities which they are obliged to *supply is strictly* limited, or that it wishes to put up council houses at some future date when finances allow.

The phrase "development would be premature" is well known to the housing specialist, but his readiness to accept it is diminishing as the demand for new housing grows month by month. As one developer put it: "Many councils say they cannot afford to develop their land themselves, but they can, apparently, afford to waste ratepayers' money by sitting on it."

It would be wrong to suggest that some progress *has* not been made in talks between local authorities and builders. The sale of surplus land to private enterprise has gone fairly well in *some areas,* but builders appreciate that if many local councils swing back to Labour control, the situation could change dramatically. In designating new land for housing development, however, progress has been poor throughout the country.

The need for land is most acute in the rural areas which used to be just outside "commuter country," the very same areas where conservationist opposition to new *development is at its strongest.* Problems of accessibility of labour and material in these regions only add to the builders' dilemma, but they are convinced that *this is where* much *of their* future business lies and that sympathetic "in-filling" is possible.

Faced with high housing demand—which is hardly likely to subside when potential home buyers are expecting an early reduction in mortgage rates—builders are now attempting to put further pressure on Whitehall to impress upon local authorities the part they must play in relieving the situation.

The industry is certainly not at a loss to suggest its own ways. It would like to see Mr. Pa[...] repeat his earlier call for mo[...] land, only this time in stronge[...] terms. The builders think th[...] if the Minister asked loc[...] authorities to give him detai[...] of all land to be released, oth[...] than that already scheduled f[...] eventual sale, many would [...] forced to improve their contrib[...]tions.

The industry is also anxio[...] for an opportunity to stake [...] claim to the vast amount of la[...] held by public bodies like hos[...]tal Boards which, at present a[...] obliged to pass on to the Treasu[...] any moneys raised by sales [...] private developers. If the[...] bodies, say the builders, we[...] allowed to keep the money th[...] they would be provided with [...] incentive which could release [...] flood of valuable land onto t[...] housing market.

Forced to sell

It has also been suggested t[...] the Government should requ[...] local authorities to publish th[...] land holdings, letting ratepay[...] see how much land is sitting i[...] and so able to put pressure [...] their council to turn assets [...] profitable use.

According to the builders, [...] Government should then inv[...] itself with the power to enfo[...] the sale of this land; to reso[...] the inevitable political dif[...]ences which a system of co[...]pulsory sale would provoke, [...] independent land advisory co[...]mittee could be formed.

But many of these propo[...] would require legislation and [...] the builders know only too w[...] that takes time. Up to now, [...] industry has been able to t[...] comfort from the fact that th[...] has been little consumer res[...]ance to the inflationary pr[...] levels being maintained. [...] ready availability of mortg[...] funds could prolong this sit[...]tion for some time yet.

Nevertheless, the industry [...] aware that if land prices contin[...] to escalate, not only will build[...] be working outside the accep[...] levels of profitability but [...] many potential customers will [...] forced into postponing th[...] house purchase plans. More l[...] on an extensive scale is [...] industry's first priority, [...] without it house builders [...] well miss the chance for wh[...] they have patiently waited.

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BAC redundancy row worsens

BY ALEX HENDRY, LABOUR REPORTER

THE redundancy row that is threatening production of the Anglo-French Concorde moved further away from a settlement yesterday when BAC refused to meet representatives of Britain's biggest union to discuss the company's plans to lay-off 1,200 workers.

The Transport and General Workers' Union asked the Department of Employment to intervene last Friday when management officials refused to discuss the redundancies because shop-floor representatives were present. A spokesman for BAC said it was only prepared to hold a meeting with full-time union officials.

And yesterday Mr. Bill Higgs, TGWU official at Bristol, where Concorde is being built at BAC's Filton factory, said that despite the intervention of the DE the company had refused to alter its position.

The refusal of BAC to speak to shop-floor representatives at Filton—where 480 workers out of the total of 1,200 at BAC's five establishments, are to be made redundant—has led to the threat of guerilla strike action.

Workers at the factory have set up a redundancy committee but the company refuses to recognise it. BAC has already announced that it hopes to be able to offer alternative work at its other plants to about 200 of those who are to be made redundant at Filton.

The company also *claims* that it followed the agreed procedure in the way it announced the redundancies and in its insistence that it will only discuss the situation with full-time union officials.

Mr. Ron Nethercott, TGWU regional secretary, said in Blackpool last night where he is attending the TUC: "I had arranged through the DE for a meeting to take place between my officials and the company. It should have taken place this afternoon but was cancelled without explanation by BAC."

TOKEN STRIKE OVER DELAYED MESSAGE

One hundred and forty workers in the metal and body stamping plant at Ford's, Halewood, Liverpool, plant staged a half-day token strike yesterday because of a four-hour delay on Tuesday in a telephone message being given to a workmate saying that his wife had been taken to hospital.

Four hundred other workers in the same department had to be sent home in consequence of the strike but work is expected to be back to normal this morning. The management apologised to the man concerned, saying that the four-hour delay was due to a human error.

'I'LL JOIN UNION' ENDS WALK-OUT

The woman who stopped a factory because she refused to work to rule has agreed to join the General and Municipal Workers' Union, and the Rank Xerox factory, employing about 3,500 people, at Mitcheldean, Glos., is back at work.

Rise in gross national product mainly reflects higher prices

BY WILLIAM KEEGAN, ECONOMICS CORRESPONDENT

THE U.K. gross national product last year amounted to £42,819m., or £770 per head of the population, according to figures released yesterday by the Government Statistical Service. The gross national product is a measure of the value of all goods and services produced in the U.K. before depreciation, plus income from abroad.

In 1969, the GNP total was £39,077m. (£705 a head). The increase of 9½ per cent. between the two years was largely accounted for by higher prices as the real rise in the volume of goods and services produced was only 1½ per cent.

Total personal income (including income from employment, dividends, social security benefits and so on) went up by 10½ per cent., and income from employment alone—which is 70 per cent. of the total—rose by 12 per cent.

Taxes on income absorbed a higher proportion of personal income than in any year during the 1960s, and there was a marked rise in national insurance contributions. This brought the rise in personal disposable income down to 9 per cent. There was a 5½ per cent. increase in consumer prices, making the growth in real personal disposable income about 3½ per cent.

That was a greater expansion of real income than occurred during the 1960s when the average increase for that decade came to 2½ per cent. There was an advance of 3 per cent. in consumer spending between the two years, and a rise of half a percentage point—to 8.5 per cent.—in the savings ratio.

The share of employment incomes in total income was, at 70.2 per cent., greater than the average for the decade of 68.2 per cent. The share of company profits fell from 13.9 per cent. (1960-1870 average) to 11.6 per cent.

Total corporate income went up by 4½ per cent. between 1968 and 1870, largely as a result of higher rent and non-trading income. When stock appreciation is deducted, company profits show little change between the two years.

The country's total gross fixed investment in buildings, plant machinery and other capital assets went up by 1½ per cent. in volume terms, although investment by manufacturing industry alone was 6½ per cent. higher.

Britain's net capital stock, in which assets are valued at current replacement costs after deduction of capital consumption, is estimated to have been £117,800m. at the end of 1970. Nearly a half of the capital stock is in the public sector of the economy, and about one-third in the company sector.

National Income and Expenditure 1971. Central Statistical Office blue book; SO, 75p.

Where the £ went

	Current prices 1960 %	Current prices 1970 %	Constant prices 1960 %	Constant prices 1870 %
Food (household spending)	25.0	20.4	24.5	21.3
Alcohol	5.7	7.0	5.8	6.6
Tobacco	6.7	5.5	6.8	5.3
Housing	9.8	12.5	10.7	11.3
Fuel and light	4.4	4.8	4.6	5.4
Clothing, footwear	8.8	8.4	9.6	8.4
Purchase, running costs of cars, motor-cycles	6.0	8.5	5.3	8.8
Household durables	4.9	4.1	4.6	4.3
Other goods	9.5	9.4	9.4	9.0
Travel, entertainment, other services ...	18.1	18.4	18.5	18.5
	100.0	100.0	100.0	100.0

New towns 'may help solve Ulster problems'

THE ESTABLISHMENT of four or five new towns might help solve some of the problems of Northern Ireland, Sir Frederick Catherwood suggested yesterday.

Sir Frederick, a director of John Laing and Son and formerly Director-General of the National Economic Development Office, said in Belfast that the towns should aim at attracting industry to self-sufficient communities which had the minimum temptation to strife.

'Neighbourly trust'

The object would be to "give a better life to those who live in city slums, to turn men's minds from bitterness to make a better life for themselves."

"A predominantly Unionist or predominantly Nationalist new town would have a chance where a mixed development would not," he claimed.

While people could not be segregated into watertight compartments, some new towns could be located where they were likely to attract Unionists and others where they would attract Nationalists.

A mixed community needed a degree of neighbourly trust, "which is going to take a long time to rebuild."

Sir Frederick was sceptical of political solutions to Ulster's troubles. He ruled out proportional representation or a coalition and asserted that the abolition of Stormont was no answer.

"We find that people of different race and religion cannot live together in their present conditions. Why not see if they can live in different, modern and far better conditions?" he added.

BOAC deal with Trust Houses Forte

By Arthur Sandles

TRUST HOUSES FORTE and BOAC are completing a mutual marketing deal to offer THF organised tours for Americans in Europe.

Under the deal, BOAC will distribute 150,000 THF brochures in the U.S. and could carry 15,000 Americans to Europe as a result—most of them to stay at least part of the time in THF hotels.

The deal is all part of a revamping that continues within the holiday interests of THF. The interests, almost entirely within the Forte branch of the group, include Milbanke (Flair) and Hickie Borman.

Apart from the American project, the THF plans include a continuation in the package-tour business "aiming for a modest 12.5 per cent. increase in passenger carryings" but a deliberate pitch for the up-market business. THF has no intention of taking on Thomson and Clarksons at the cut-price game.

This year, the THF companies carried around 65,000 package-tour passengers. Over the past few years, the number of hotels and resorts featured has been drastically pruned to aim for quality rather than quantity.

This year, to the surprise, I understand, of the THF main Board, the travel interests will make money.

Rapid growth

Last night, Mr. D. A. Brice, managing director of the travel division, said: "Unlike most of our competitors, it was not our intention to put all our eggs in one basket.

"Size and rapid growth for their own sake are commercial suicide unless the return on the substantial investment required keeps pace with the growth in turnover.

"As a group, we have achieved an annual turnover in excess of £11m. and a profit on this, which by current standards could be described as very useful."

The reference to "eggs in one basket" came because although THF has rationalised its package programme it still markets a variety of products under various labels—Flair, Hickie Borman, Informal, Swans Hellenic, Allways and Fourways among them.

New moves for nuclear 'club'

BY DAVID FISHLOCK, SCIENCE EDITOR

GENEVA, Sept. 8.

THE ANNOUNCEMENT of a new European nuclear "club" in the field of fuel reprocessing is believed here to be imminent.

Initially, this "club" is expected to be another tripartite treaty involving Britain, West Germany and—this time—France. Its first move would be to set up a joint marketing company to sell world-wide the reprocessing capacity of the big reprocessing plants at Windscale in Britain and Cap La Hague in France.

The marketing organisation for fuel reprocessing will be registered in West Germany.

Option

The move would afford West Germany the option of building the first big new reprocessing plant in Europe, probably around 1980, while guaranteeing low-cost reprocessing for the burgeoning German nuclear programme.

To meet the estimated demand for uranium enrichment, the tripartite companies of the present nuclear "club," uniting Britain, West Germany and Holland, must instal 5,000 to 15,000 centrifuges a week in the early 1980s, the fourth "Atoms for Peace" conference heard to-day.

This was revealed in a joint paper read by Dr. Jack Parry, just appointed technical director of Urenco, the new European enrichment company. Britain, he said, has now had centrifuges on life test for as long as five years. Life and unit cost are the crucial factors in the economics of centrifuge plants.

Dr. Parry was head of the Capenhurst laboratories which developed the British centrifuge.

Major decisions and financial commitments would be needed in the next two or three years, he said. A forecast annual market for 1,500 tonnes of "separative work"—a measure of enrichment output—implied manufacture of between 250,000 and 750,000 centrifuges a year.

Although each machine contained sophisticated components, he said, their total number was not large. "These production rates are certainly quite practical, especially when judged against the fact that production facilities in all three countries will be available."

Dr. Parry cited five other factors that would influence the scale and timing of construction of large centrifuge plants by the tripartite companies. First, the rate of increase of U.S. enrichment prices, particularly as power costs increased. Second, the timing and cost of expansion plans for U.S. enrichment plants. Third, to what extent they might enter into firm contractual commitments with customers, which in turn would influence the raising of cash for construction. Fourth, the possible entry of the USSR, France, Japan or South Africa into the enrichment market. And fifth, the rate of advance of centrifuge technology in the next few years.

The scale of the competition was sketched in a paper by Mr. Wilfred E. Johnson, of the U.S. Atomic Energy Commission, and Mr. Sam Sapirie, who runs the U.S. complex of enrichment plants. By April last, this complex had completed a total of 67 contracts, of which 35 were with customers outside the U.S. They totalled about 139,000 tonnes of "separative work," of which 37,000 were for distribution abroad.

Estimates

German estimates of the cost of completing the first phase of the tripartite centrifuge project are twice as high as those given hitherto, nearer £30m. than £15m., said a German official. It has been proposed that the three countries should abandon their national prototype projects agreed under the Tripartite treaty, to expedite the design of a truly tripartite prototype centrifuge plant, combining the experience of the three countries.

As was reported in the Financial Times earlier this week, a preliminary pooling of design data on the three projects has confirmed the basic logic of collaborative development — that each country has special expertise and experience to contribute.

The problem — seemingly insuperable at present—impeding an immediate start on a Mark 2 centrifuge combining the best features of each design is that all three are well advanced with their national projects. Even the Germans, who have not yet begun to instal centrifuges for their new factory at Almelo, have nonetheless already ordered the machines and equipment.

VIEWSPORT TO SCREEN FIGHT

Viewsport, a William Hill subsidiary, will transmit by large screen closed-circuit TV the forthcoming championship fight between British heavyweight champion Joe Bugner and Jack Bodell.

New pilots' 'union' threatens split to BALPA

FINANCIAL TIMES REPORTER

SOME SENIOR BOAC pilots yesterday threatened to split their union when they announced that they had broken away and set up their own association.

As they claimed that they would be able to get 90 per cent. of BOAC's Jumbo jet pilots—about 150 captains—as members, the British Air Line Pilots' Association countered by saying: "We regard this action of promoting and provoking a national pilot conflict as being highly irresponsible."

The two leaders of the breakaway union — the Professional Pilots' Association—are Captain Ian Jeffery, a chairman of BALPA for four years, and Captain Max Reveler, a former chairman of the BOAC Pilots' Council who took part as a negotiator in the long battle with BOAC over Jumbo jet salaries.

The split comes as the culmination of ill-feeling by some of BOAC's senior pilots over the agreement which ended BOAC's Jumbo jet row and got the airliner flying after one-and-a-half years of industrial trouble. The BALPA team signed the deal which gave all BOAC senior pilots a basic salary of £9,000.

One of the breakaway pilots said yesterday: "The deal made us the laughing-stock of the world. Other pilots did not believe that we could have agreed to such a settlement. For many senior pilots, it meant that they were taking home less than before because of cuts in allowance."

Although the pilots in the new Association say they do not want to have a row with BALPA, the reaction from the official association which has a total membership of 5,000 pilots was swift.

Mr. Gordon Hurley, BALPA's spokesman, said: "Our so-called amateurs got the Jumbo into the air and some of the people who are now claiming the agreement was a bad one agreed with it being accepted.

"We were negotiating with the new Government in an entirely different atmosphere and a much tighter one from the economic point of view. We fought and got the best deal. Most captains will retire on a pension of just under £4,500 a year."

The new Association is attempting to get enough members to enable it to affiliate with a bigger union. Its spokesman said yesterday: "New talks on conditions and salaries for pilots are due at the end of the year.

'Fees rolling in'

"Many pilots have already joined us and the membership fees are rolling in. BALPA asks for a membership fee of £60 a year from its senior pilots—the highest union membership fee in any association in the country. Our fee is £10 per annum."

Yesterday, all BOAC pilots received a letter, urging them to join, from the Professional Pilots Association. So far, it is keeping its membership figures secret.

It is expected that the members of the new Association will be expelled from BALPA. At least one member of the BOAC Pilots Council, which is part of BALPA, has joined the new Association.

A senior pilot who has helped to set up the PPA said: "I could go to my country home and go fishing and shooting—I have a year to retirement. But I am determined to give younger pilots a chance of belonging to a union which can do a professional job."

Dockers to hear report on pay claim to-day

BY ALEX HENDRY, LABOUR REPORTER

BLUE union dock leaders will report to a mass meeting of members to-day on the London enclosed docks employers' refusal to meet their 17-point pay claim.

At a joint meeting yesterday, the employers promised a "positive" reply next week. But it was emphasised last night that this was not necessarily a promise to concede any pay increases.

The blue union—the National Amalgamated Stevedores and Dockers—is not expected to follow the lead of the Transport and General Workers' Union, the biggest dock union, which has threatened to terminate the modernisation deal.

The decision to terminate the deal, taken by the union's lay delegate committee, has angered many of the 10,500 dockers in the enclosed docks, whose basic pay was substantially increased to £36.50 and £39 a week by the modernisation deal, which also ended piecework and introduced a two-shift system to the docks.

The enclosed docks employers, despite coming under pressure because of increases being given by other port employers, have stuck firmly to the line that they cannot bear any additional increase in costs unless it is matched by improved productivity.

The unions have rejected the idea of some form of bonus incentive payment to try to get productivity back to the level it was at before the current deal was signed last September. Another idea that is being suggested is an increase in the shift time, which is now 6½ hours.

JAMES LATHAM LIMITED

Mr. Douglas Latham, The Chairman, Reports:—

Tribute to retiring Chairman. Mr. E. Bryan Latham relinquished the Executive Chairmanship of the Company on 31st March 1971. The Board are grateful to him for his devotion to the affairs of the Company and the wise leadership he has given during his long period as Chairman. He remains on the Board so that his valuable counsel will be available in the future.

ACCOUNTS

The Consolidated Profit & Loss Account shows that Group profit before taxation was £351,508 as compared with £592,443 for the previous year. Profits for the year have been adversely affected by a number of factors; namely the very expensive dock strike followed by the postal strike and the stagnation of the national economy. Costs within our own organisation have been contained, but we have been confronted with increased handling charges, particularly in the docks, over which we have no control. Nevertheless, the volume of the Group's business was maintained, turnover having risen from £8,574,000 to £9,014,000. Your Directors have transferred £43,665 to General Reserve, and recommend a final dividend of 8% on the Ordinary Share capital. The total dividend is maintained at 12% for the year. The carry forward is £180,060 compared with £178,361.

SUBSIDIARY COMPANIES

Nigerian Hardwood Co. Ltd. Extensions have been carried out to the vehicle repair workshop and sawmill. The Company's assets are being revalued on the basis of current values. Sales of secondary species, particularly in Europe, were poor during the first half of the year but improved in the last quarter. Increased wages in Nigeria have raised the cost of production, which has had an adverse effect on profits.

Richard Graefe Ltd. The factory has been fully employed and turnover has shown a satisfactory improvement.

James Latham (Northern) Limited. Trading commenced during the latter part of the year but no contribution was made to the Group's profits. Turnover is building up satisfactorily. We are confident that a profit will be earned during the current year.

PARENT COMPANY—DEPARTMENTAL REVIEW

The Plywood and Board Departments have increased their trade and profit margins have been well maintained. The Northern Company is now supplying customers in the North who previously took their supplies from London, but this transfer of trade has been compensated by an extension of business from other parts of the country.

The Hardwood and Softwood Departments incurred substantial extra freight and handling costs owing to the dock strike. The weakness in the value of certain African species has now been stabilised. These factors resulted in small losses, but a return towards normal profitability is foreseen.

CAPITAL PROJECTS

The installations at Richard Graefe Ltd. and James Latham (Northern) Ltd. have now been completed.

FORECAST

The capital projects at James Latham (Northern) Ltd., Ossett, and Richard Graefe Ltd., High Wycombe, form a valuable increase in the Company's assets. Group turnover to date shows a satisfactory trend, and trading figures so far available indicate a return to more normal profit levels. There is a reduction in Group borrowings compared with last year, notwithstanding the fact that the capital projects already mentioned amounting to £302,000 have been financed from the Group's own resources.

Importers of Hardwood, Softwood, Plywood and Board.
Sawmillers, Kiln Operators and Homegrown Timber Merchants.
Manufacturers of veneered panels.
James Latham Limited, Leeside Wharf, London, E.5.

RESEARCH GRANTS FOR GLASGOW UNIVERSITY

The University of Glasgow is to receive four new grants for research.

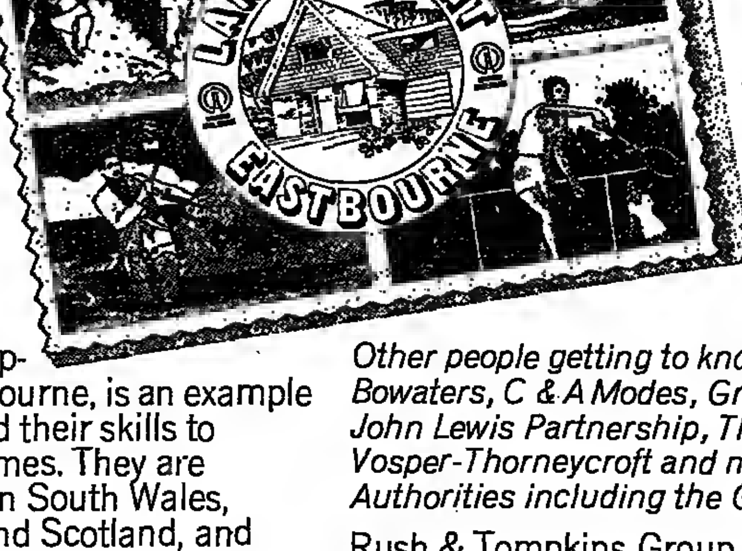
The Medical Research Council is offering £17,687 for a study directed by Professor M. C. Macnaughton (Department of Obstetrics and Gynaecology) of some of the problems associated with female infertility, and £5,343 for studies under the supervision of Professor J. S. Gillespie (Department of Pharmacology) in the electrical activity and nervous control of smooth muscle.

The Science Research Council is giving £10,710 towards the cost of a Mass Spectrometer to be used in an investigation by Dr. R. I. Reed (Department of Chemistry) into the effects of source temperature and scanning speed on cracking patterns, and £7,467 for an investigation by Mr. P. H. Tanner (Department of Aeronautics and Fluid Mechanics) into regenerative hydrostatic transmission.

DE LUXE CAB OPTION FOR DODGE TRUCKS

A de luxe cab option, offering increased safety, comfort and convenience for the driver, is introduced on Chrysler U.K.'s Dodge range of commercial vehicles to-day. Price of the new option is £30, and it is available for the two-axle rigids, six-wheelers and tractor units.

Who is taking 1,000 families to the seaside?



Rush & Tompkins have an enviable reputation as builders. Their client list is proof of their capability. But they are also substantial developers.

Their 1000 dwelling development at Langney Point, Eastbourne, is an example of the way they have mobilised their skills to provide reasonably priced homes. They are doing the same sort of thing in South Wales, Kent, Wiltshire, Cambridge and Scotland, and even in the South of France.

They are also developing industrial estates and offices. Their own head office building is one of the largest decentralised office blocks in London. And it's a sound investment too.

What they are doing so successfully for themselves they could be doing for you.

Why not talk to Rush & Tompkins? You will find them large enough to cope with a thousand home problems, small enough to tackle a discreet mews conversion.

Other people getting to know us include Bowaters, C & A Modes, Great Universal Stores, John Lewis Partnership, The Rank Organisation, Vosper-Thorneycroft and many Local Authorities including the G.L.C.

Rush & Tompkins Group Ltd., Marlowe House, Station Road, Sidcup, Kent.

Langney Point, Eastbourne, *Architects*: Rush & Tompkins Design Services Ltd

R T **Rush & Tompkins**: builders worth knowing.

Laundries

This Financial Times Survey coincides with The International Laundry, Dry Cleaning and Allied Trades Exhibition which opens at Olympia, London, to-day, and continues until 18th September.

Moves to more specialisation

By PHILIP GARNER, Technical Editor, Laundry and Cleaning International

To-day marks the opening of the International Laundry, Dry Cleaning and Allied Trades Exhibition in London. It is almost six years since the last international trade show here. During the course of the last exhibition in 1966 the Labour Government announced the abolition of investment grants. This bad the effect of curtailing tha launderer's re-equipment plans.

This was followed by other governmental action sucb as the Prices and Incomes Board's examination of laundry and cleaniog prices, the implementation of the *Selective* Employment Tax, a beavy burden for a labour intensive industry and so on. The industry also had to face rising labour and other costs.

As a result there are now fewer than 1,000 plants producing domestic linen services. There is every indication that the number will decline still further as volume continues to fall.

While still representing a major proportion of the industry's total revenue, it is significant that, wben measured in pounds dry weight, the laundarette section bandles a greater volume of family washes annually than does the domestic sector.

There is little evidence therefore, wbatever the price structure adopted, that there will ever be a significant growth in the demand for domestic linen service. This pbenomenon ls not confined to this country, for it has already taken place in the U.S. and is now taking place in the Industrialised countries of Europe.

With the decline in the utilisation of domestic linen services there bas been a corresponding growth in the demand for linen, towel and workwear rental services. These now have become the most important sectors of the industry. The special requirements of linen and workwear processing plants and the centralisation of hospital laundry facilities have had effects on the design of plant and equipment.

Linen services

Launderers wbo have specialised in the production of domestic linen services have benefited from the researcb and development of new machines and systems.

The industry therefore, is more capital intensive than ever before, and the reliance on skilled labour grows less and less. The production rates in the specialised plants bave riseo dramatically, and nowhere is this more apparent than in linen and workwear hire plants, where production has risen on an operator/bour measurement by a greater percentaga than in almost any other industry, whether service or manufacturing.

Managements look for production rates in excess of 100 pieces per operator/hour and in some cases it is even higher depending upoo the degree of specialisation. This compares with a figure of 25 pieces per operator wblch was expected of a reasonably efficient domestic laundry.

Use of machinery

Linen hire companies hava standardised linen, towels and so on so that greater use can be made of machinery to perform the tasks that previously required women operators.

In workwear plants, the introduction of polyester/cotton garments as replacements for 100 per cent. cottons bas bad a beneficial effect on production rates and the return on capital.

The polyester/cotton garment has a service life of some 31 months compared with the average 18 mooths expected of a cotton coat. Styling has been improved and the workwear has become more acceptable to the wearer. Specialist construction ensures that the garments look well and last well throughout their life.

Tbe effects of this long life and easy-care characteristic has heen to improve the rate of production and give a faster turnround. This has enabled many workwear companies to offer the better quality polyester/cotton garments at rental prices which compare favourably with those for 100 per cent. cottons. In Germany, one of the largest workwear hire companies surcharges renters who stipulate 100 per cent. cottons.

Hospital laundry managers and purchasing officers are becoming increasingly aware of the advantages of the new hlended fabrics and there is now a steady changeover to the oew garments. *In this way* the laundry can offer a hetter service to doctors and nurses.

The increasiog emphasis on specialisation bas led to the design of rationalised production *systems*. No longer are machines bougbt as single units. Each machine is now an integral part of a flow-line production unit.

Contiouous washing machines with their associated moisture extractors and continuous conditioning tumblers bave resulted in the "labourless" washroom with the linen being untouched by hand during its passage from the soiled linan sorting room to the finishing departments. Only one man is required to maintain the wash supply tanks at appropriate levels and concentrations.

Wash process

In some bigh capacity laundries on the continent the wash process supplies are delivered already prepared to the correct concentration in tankers, so that even this supervisory task is eliminated.

Modern wasber-extractors too, are part of the flow-line production unit. One operator can control a number of these fully automated macbines and produce in excess of 3,000 lbs per hour. A later introduction to this country is tha cageless washing machine with a capacity of 800 lbs. Working on a 17-minute wash cycle, one of these machines can produce more than 3,000 lbs. of clean linen per hour and the manual effort concerned in the control of the machine is minimal.

New equlpment bas made the "pressless" press room possible where ten years ago it was but a vision. Where previously the press room was equipped with rotary or scissor presses needing the attention of skilled workers, the department now has cabinet units capable of finishing almost all the shaped garments as well as steam-air formers and steam *tunnels*. None of these *machines* need highly skilled operators.

Steam tunnels are capable of producing more than 700 garments per hour and are without donbt the most highly productive finishing system the industry has yet seen.

The productive requirements of workwear rental laundries will see the development of complete systems for washing and finishing polyester/cotton workwear. Prototypes of machines wbich will wash and finish in one operation are already in existence and will certainly appear on the market within the foreseeable future. With these machines one operator will perform the wbole operation at a rate of not less than 240 garments per hour.

As launderers tended to become more specialised in their operation, their requirements lead to a new range of highly productive systems. Any launderer wbo attempts to process linen rental items, workwear and domestic linen through the same production line is doomed to failure.

The market is fiercely competitive and the only way in which prices can be held down is by the increasing use of capital equipment. Even though the industry has made tremendous strides in improving plant performance still better results will be achieved in the future.

While the market for linen hire and workwear rental as well as washroom hygiene services has a tremandous growth potential, competition from outside the industry has already appeared on the horizon. This is in the shape of "no-press" hotel laundries using all polyester/cotton bedroom linen.

These, it is claimed, will reduce the cost of linen servicing to the hotelier by as much as 40 per cent. Inspired by the interest being sbown in "in-hotel, no-press" laundries, tha equipment suppliers are already looking at the workwear rental business, where nsing the same techniques they can provide a workwear service at a considerable reduction in cost to business managers.

But with improved production methods and better distribution the professional linen hire and workwear rental management will certainly be abla to meet this challenge.

The Baker-Perkins Jaxon Stream-Line continuous washing machine which is used in a complete production unit.

New ideas in dry cleaning

By PHILIP GARNER

Two factors are likely to influence the future development of the drycleaning industry. One is the introduction of the professional fluorocarboo solvent drycleaning macbine and the other is the pre-payment system as a marketing tool.

When the totally enclosed perchlorethylene drycleaning macbine was introduced by Neil and Spencer Ltd., ln 1949 it altered the image of the drycleaning industry througbout the world. No machine development bas bad sucb a marked effect since that time.

Conditions are changing, however, and there is an increasing demand for a wider range of services. The public want low cost economy services, this is evidenced by the growth of coin-op drycleaning and semi-finisbed services, but there is also a growing market for quality services witb reasonable prices for tbose garments at present commanding a high retail charge.

The modern fluorocarbon machine has been developed over a number of years. Although it follows the basic design of the conventional machine, the volatility of the solvent and its high price bave both Influenced tha design. The original macbines were expensive to operate in that they wasted solvent and for many years the macbines were only suitable for the limited coin-op services.

The present generation of macbines are reliable, economical as far as chemical costs are concerned and bave a solveot consumption of more than 1,000 lbs dry weight of garmeots per gallon of solvent used. By using the same control techniques as are featured on conventional machines, the same degree of versatility has been acbieved.

Retexturing, re-proofing, moisture injection, the use of spray equipment and so on, are all applicable to fluorocarbon solvent dry cleaning machines. Versatility apart there are other advantages. Tbe FC 113 solvent closely *approaches* the ideal, it is stable under dry cleaning conditions, and its low boiling point and therefore low drying temperature means no adverse effects of permanent press finishes or blended fabrics. Furs, suedes and leather can be cleaned without recourse to re-oiling or other finisbing techniques. As a solvent it is less aggressive even tbough its solvency power is sufficient to properly clean all conventional fabrics. FC 113 bas the same Kauri Butanol valne as white spirit wbich was the main cleaning solvent for many years.

Dry cleaners investiog in a fluorocarbon macbioe have the opportunity to clean a wider range of garmeots than ever before, particularly tbose wbich have been classed as problems.

Growing market

Thus this type of machine is best suited to meet the growing market for more aod better services. Tbere is an increasing demand for fluorocarboo solvent machines and it is certain that within the foreseeable future they will command an importaot position as tools for production and profit.

Dry cleaning sales and marketing techniques have remained virtually unaltered since the first dry cleaning receiving shop was opened over 100 years ago. There has beeo no change in the techniques which the multiple cleaners bave used to promote more drycleaning. Everyone almost without exception, relies on cut-price offers to boost volume. Once the remedy for idle works in the low January-February season they are now spread throughout the year.

The sales organisation in unit sbops and receiving depots is also out-of-date and results in a sales cost of more than 30 per cent. of the total operating costs. Sales *staff* spend more time on clerical work than on selling additional services. They are expected to record garment descriptions, names and addresses, service details, prices and so oo. Most of this documentation is useless and is not used except in a *tiny proportion* of the total number of transactions.

Pre-payment

Pre-payment as an accounting system is well-establisbed in Germany and Switzerland. There is only a simple accounting procedure with no clerical work. The customer bands over the garments and receives a numbered receipt in exchange. The identification ticket carries the cleaning price and payment is made before the work is carried out. *By reducing* the clerical work at the counter the number of staff needed is reduced. One saleswoman will handle a turnover of more than £250 per week in a receiving shop without assistance even at peak periods.

The "Instanter" shop is a further development, in that there is customer participation. The customer hands the garments in at the counter—in soma stores she may even be called upon to affix Identity tapes—and payment ls in advance. When tha cleaning and finishing processes are complete she selects the finisbed work from storage rails and has it checked against her receipts at a check-out. Two operators in this type of store providing quick semi-finished services at low cost can handle a turnover of £300 per week.

A British invention the "Auto-Valet" permits the collection of finished drycleaning orders throughout tba 24-bour day. Customers need no longer be tied to shop opening bours. This system, too, relies on pre-payment.

The advantages of pre-payment systems are lower sales costs, more selling time, better counter service, quicker collection of finlshed drycleaning orders and less stock held over lo the store awaiting collection.

Fluorocarbon drycleaning machlnes and pre-payment systems have suddenly become important talking points. There will be more axamples of pre-paymeot units at the international exhibition than cver before. It is well known that some of the multiple cleaners are looking closely at both the machines and the accounting system with a view to setting up pilot unit plants.

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LAUNDRIES II

Importance of research

By J. LEICESTER, Director of Research, British Launderers' Research Association

Laundering—craft or technology? The former may well have been true up to the early 1900s, but since the formation of the British Launderers' Research Association during 1922 and the establishment of the basic science of laundering, research and development has provided major support for the industry throughout its many changing activities.

Detergency, once the major area of research activity and one giving high cost benefit returns on R and D expenditure is no longer so profitable. The engineering and chemical engineering aspects of plant and processes have now become the major area for research. The modern washing machine in which washing, rinsing and moisture extraction cycles are combined in a single machine is a far cry from the relatively simple wash wheel of 25 years ago. Development of machines on the batch transfer system with counter current flow of rinse and wash liquors, the continuous tunnel design washar, whereby the work progresses on the Archimedes screw principle through the machine from wash to final rinsing, or the completely automatic tipping washers all illustrate further major developments that have stemmed from research and development.

The third generation of washing machinery, already in commercial production, employs the revolutionary coocept of continuous washing of individual articles or cabinet towelling on a conveyor belt principle. The mechanical action of a rotating cage or drum is replaced by the kinetic energy of high-pressure jets for washing and rinsing, coupled with pressure nip rolls for the expression of moisture between the various stages of washing and rinsing.

All these new washing developmeots offer considerable cost benefit returns in terms of more efficient nsage of raw materials and improved processing, coupled with a major reduction in operator hours per ton of work processed.

Finishing methods

Equally important, there is continuing researcb and development effort being devoted towards improved methods of finishing. Essential to the need for improved output and reduced labour utilisation, it is also stimulated by the change in physical characteristics of the textile materials processed. The increasing usage of man-made and mixtures of man-made and traditional fibres, such as polyester/cotton blends, has provided the launderer with materials that require less heat energy for drying. The application of resin finishes and the built-in properties of crease resistanee have meant that many of the traditional pressing processes can be replaced by much simpler hot-air drying equipment, giving excellent finish coupled with greatly reduced labour utilisation.

Another major area of R and D is concerned with data processing as a vital tool of managemeot. It has produced a major breakthrough in computer programming so as to enable the use of low-cost, small scientific computers for in-house office accounting and stock control procedures. The result, to cootain the rising costs of office services and, at the same time, provide laundry management with immediate customer aod plant data so aa to greatly improve management control.

Tbe majority of launderers are not large enougb to sustain their own in-house R and D facilities and even the larger group companies, operating their own technical control laboratories, bave few staff available to carry out research and development. This bas been one of the main reasons why a researcb association bas been able successfully to undertake research and development on a collaborative basis with launderers, engineers, firms supplying detergents and chemicals to the launderer and with the textile industry.

The research association, financed by industrial subscriptions, fees for services and a Government grant, spends approximately £130,000 per year on research and development, including technical and informatioo services on all aspects of laundering. Of this total, about £50,000 is currently spent on identifiable projects. It is interesting to note that this shift in emphasis from detergency research to engineering and cbemical engineering developments bas meant that the results of the research association's work are much more dependent upon the engineeriog industry for commercial exploitation and implementation. Tbus, to the launderer member, it might appear that they are oot receiving the same amount of direct benefit as accrued from the earlier work on detergency and washing processes. It also means that the result of the RA's work reacbes the non-member who contributes no financial support, just as it does to the member who pays for the early stage of the projects. This is a situation that canoot easily be cootrolled—in the interests of an industry that bas no R and D facilities, it can only be boped that the increasing support, still so esseotial for the future of the industry, will become available.

In the washing sector many developments carried out in conjunctioo with the engioeering members of the research association, have produced outstanding improvemeots in productivity and materials usage. Over the past 15 years, average productive output per operator bour for direct labour bas increased from 300 lbs per operator bour to 1,000 lba per operator bour. Even assuming that wages over this period bave doubled, a saviog per too of work processed of around 75p. Over a similar period, water consumption per lb of work processed has been reduced from 6 gallons per lb to 1 gallon per lb: oo the basis of rising cost of water, this represents a potential saving of £750,000 per annum.

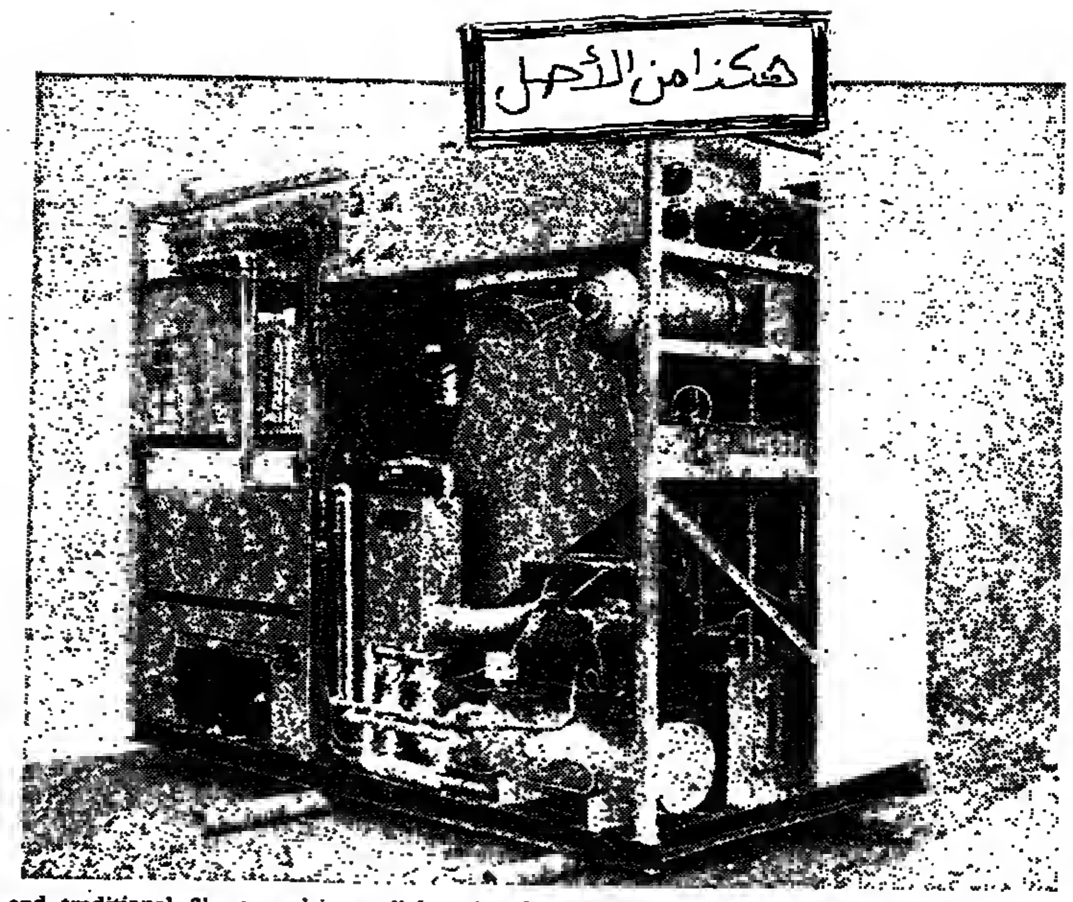
Current work

The research association's curreot work on the use of beat transfer fluids aa a replacement for steam can revolutionise the design of laundry finishing equipmeot. Temperature independent of steam pressure can eliminate the need for tha design of equipment requiring pressure vessel construction and beoce contribute to a reduction in the capital costs of plant. It can shift the operating temperature up into a region where steam pressures of 350 psig and over would be required and yet only use circulating pump pressures of 15 psig. The high temperature can improve drying rates of finishing machinery and bence increase output from the flatwork ironer, the bot air tumbler or the tunnel drier by as much as 100 per cent.

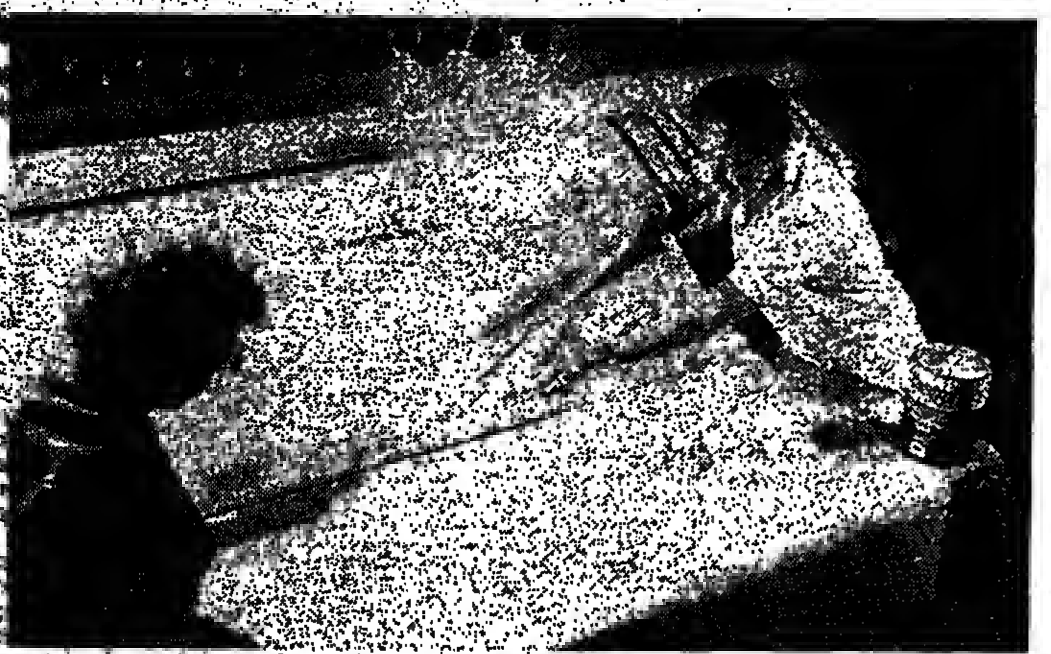
Cost benefit

Commercial development of such equipmeot is oow in progress and the cost benefit implications can be substantial. An improvement io thermal efficiency will mean an approximate saving of 18 per cent. io primary fuel costs. Coupled with improved productivity, this could represeot a financial saving of up to 60p per ton of work processed.

These examples are typical of many that could be quoted and documeoted. The long term future of the iodustry and particularly that rapidly expanding sector dealing with linen reotal are still as dependeot oo R and D as the industry was 50 years ago. Collaborative research is the cbeapest and most efficieot method of carrying out that R and D for a service iodustry, which could never justify the setting up of large in-bouse research facilities withio its constituent companies.



The modern fluorocarbon solvent dry-cleaning machine which permits a wider range of services.



Castrol granulated smearing wax being used on cloth at Watford Steam Laundry.

Need for coin-ops to extend their services

BY BEULAH MACKINNON

The coin-op laundry industry has been going through a period of reappraisal with equipment suppliers and operators taking a close look at their future markets.

With the slowing down in the number of new launderette openings, suppliers are taking an increasing interest in the replacement market and looking to the more rural areas for expansioo, while operators faced with rising costs and keeo competition are turning their attention more and more to increasing the utilisation of their present services and the addition of new ooes.

For many housewives the launderette as a means of fabric care is still by far the most convenient and the most economical. There is little doubt that it is bere to stay in some form or another so for the iodustry it is now a question of rationalisation if it is to operate profitably and efficiently.

Big business

Although no longer enjoying the rapid growth of the early boom years tha coin-op laundry and dry cleaning industry is still pretty big business with capital investment around £50m. with a replacement market estimated to be worth about £4m. a year.

According to a recent Prices and Incomes Board report on wages and conditions in the laundry and drycleaning industries turnover per annum for launderettes is said to be £34.4m. which puts cash volume in this section of the laundry and cleaning industries above that of linen and garment hire.

While the industry has been facing ever-rising costs over the years, launderette prices baye risen very little compared with other industries. With profit margins narrowing and competition keen, operators have become increasingly cost conscious and the cost of spares and service and the need for a new price structure are subjects for constant debate at any trade gathering.

With siting a critical problem in urban areas—many say saturation point has been reached or is not far off—suppliers are looking for new areas for development. A survey carried out by their trade association estimated that almost 10m. people living in smaller towns, villages and country districts were without the benefit of coin-op washing or drycleaning facilities.

This has led to tha introduction of the mini launderette, small units consisting of a complete package unit of two, four or six machines which can be sited in unit cleaning shops, retail or general stores where there is a demand for a launderette service but where the catchment area is not great enough to warrant the installation of the more conventional sized unit.

Other facilities

There are others who believe that the profitable future for the launderette operator lies in extending his services with a multi-service unit. These are large attended shops offering not only washing facilities but also dry-cleaning, shirt pressing and laundry services, shoe repairs and possibly providing refreshments or coupled with another service such as hairdressing. Certainly in areas where the majority of customers coma by car this one-stop shopping is a definite attraction.

Equipment for both the launderette and coin-op cleaning services bas kept pace with the changing fashion scene with permanent press programmes on washers and dryers and fluorocarbon solvents widening the scope of dry-cleaning.

So the launderette as the fabric care centre of the future is very mucb a possibility provided the operator is prepared to exteod his services and to devise new methods to cope with the new fabrics, many of which are already on sale in the High Street shops.

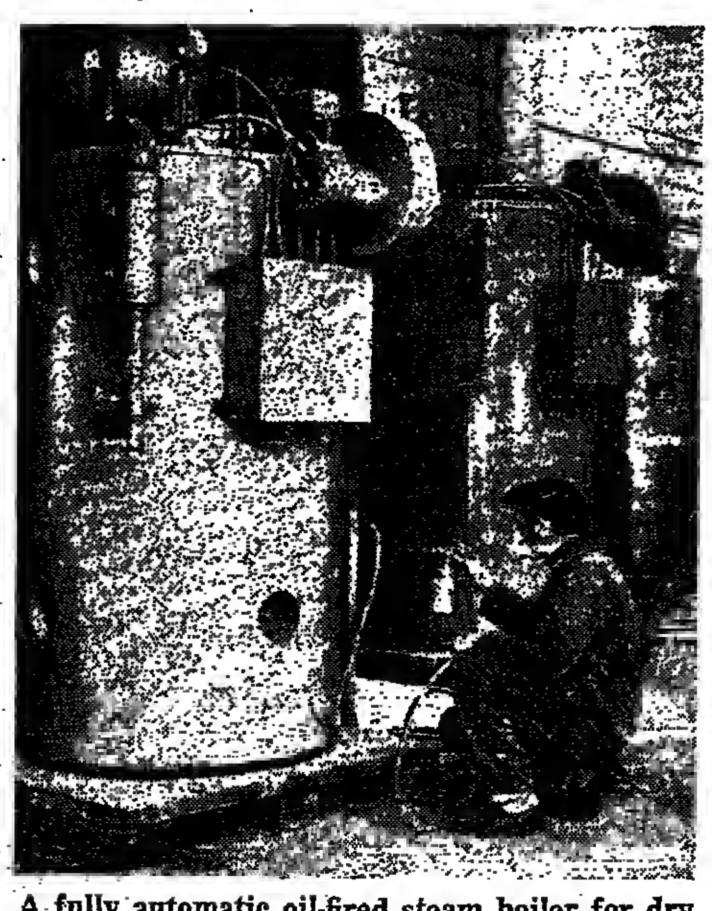
Of the many textile developments taking place knitted fabrics are forecast to be the one with the greatest growth potential and the increasing use of these fabrics could have an important effect on the future prosperity of the launderette.

It is estimated that in a few years' time 70 per cent. of clothing, and this includes men's suits and casual wear as well as housebold furnishings and an ever-widening range of ladies' garments, will be made from knitted fabrics.

There is an increasing use, too, of polyester/cottoo sheets and pillowcases, as well as numerous other easy-care fabrics.

All these could come to the launderettes provided services are tailored accordingly and a sound sales and marketing policy is adopted.

Selling their services to the housewife is something which tha industry has not done well in the past bot now it intenda to do something about it. This year has seen the formation of a federation of self-service laundry organisations. One of their briefs is to promote lauoderette services and to encourage a greater use of the facilities offered.



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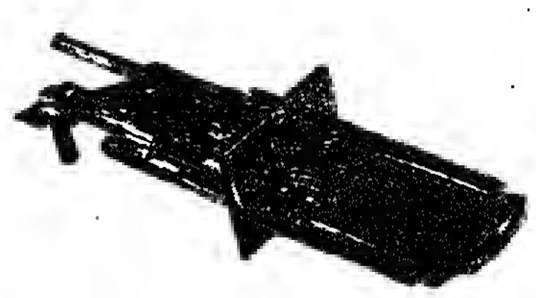

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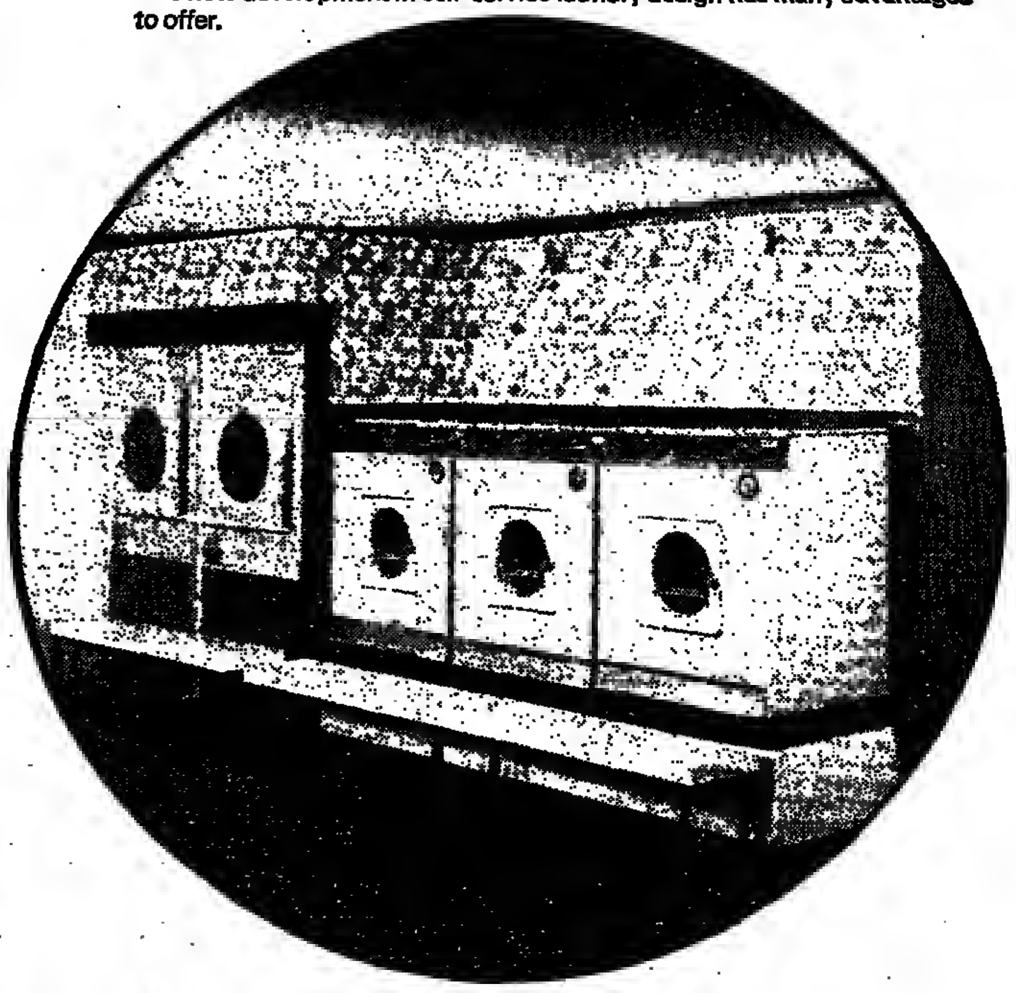

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FINANCIAL AND ACCOUNTANCY APPOINTMENTS APPEAR TODAY ON PAGE 29

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Desirable: 40/50, languages, London area, available quickly.
If you match, please call
Barry Hanton on 01-589 8278.

APPOINTMENTS WANTED

YOUNG GRADUATE

—BA (Hons) Business Studies 2½ years varied business experience—is looking for Sales/Marketing position home or abroad with career prospects. Service and travel industries are of particular interest. Write Box A.2196, Financial Times, 10, Cannon Street, EC4P 4BY

INVESTMENT DIRECTOR

of small merchant bank aged 40 with 18 years market experience seeks opening with *progressive stockbrokers* offering partnership prospects. Prepared to accept reduced salary during probationary period with the right firm. Write Box A.2188, Financial Times, 10, Cannon Street, EC4P 4BY.

YOUNG AMERICAN

Vice President of NY Stock Exchange member firm seeks similar permanent career position in London or Europe. Sales and managerial experience and ability extensive. Write Box A.2194, Financial Times, 10, Cannon Street, EC4P 4BY.

A MANAGEMENT MAN (an Account Supervisor), working at the moment in an advertising agency, aged 32 with 5 years experience in publicity, sales promotion, direct mail, in fact all aspects of advertising, is now seeking employment in a small/medium commercial concern which is expanding and requires the services of a knowledgeable go-ahead professional who can ensure that value for money is obtained from the promotional budget. Available for interview. Please write to Box A.2186, Financial Times, 10, Cannon Street, EC4P 4BY.

EXPERIENCED MEMBER Dealer, small clientele, seeks change.—Write Box A.2195, *Financial Times, 10, Cannon* Street, EC4P 4BY.

BUSINESS OPPORTUNITIES

It was a good idea while it lasted

Having an investment company of your own.
Unfortunately, changes in the tax laws have undermined the whole point.
Wouldn't you be better off selling yours in exchange for shares in a progressive quoted company? Or the cash equivalent?
If your investment company is worth £50,000 or more, with its assets in quoted securities or cash, we would like to hear from you.

Box CMD
Hanway House, Clark's Place, Bishopsgate, London EC2N 4BJ

E.E.C. Design & draughting capacity

Planning expansion in Holland, Germany or Belgium? We provide D & D services from a single production line to a complete process plant, from flow sheet to finish. Refineries, chemical plants, food, aluminium and other factories. We produce the lay-out, plot plan, *overall and working drawings.* Strict adherence to time-tables, top quality all codes and standards, reasonable charges. We can help out with contracting. Offices in Holland, Cologne and Antwerp.
For details or meeting with Dutch Director
Mr. H. Mesterom in U.K. contact:
CONTINENTAL CONSULTANTS LTD.
48 Oakleigh Park South, London N.20.
Tel. 01-445 920.. Telex 27340 Dutch London.

Would your product sell direct?

As more and more Companies discover the advantages of sophisticated Direct to Consumer Marketing—via Party Plan, Regular Home Calling, Coupon Selling or specialist Mail Order—the need for expert guidance becomes increasingly apparent. Specialist fields do require specialist know-how. Where to find it? RRL & Associates, at 230, Sylvan Rd., LONDON, S.E.19, and at 45, Abbey Rd., GRIMSBY, Lincolnshire, have the expertise you need. Drop us a line, and save your money by avoiding the pitfalls.

WANT TO GO PUBLIC?

If you are a Company operating in the Leisure or Catering Field with annual profits in excess of £30,000 per annum and seek more rapid expansion by means of a quotation, we would like to hear from you. If you have the Management ability and the developing market we can make available the resources to assist your expansion. Write Box B.5853, Financial Times, 10, Cannon Street, EC4P 4BY.

FOR SALE

A specialised boat-building project, South Coast. Including basic essentials (costing above £300,000) for the first five years production, of a commercial item, having no present competition in its price-class.

The yearly turnover is conservatively indicated at £400,000 (overseas markets obtainable to £1m. yearly) on 45%-70% return on outlays.

Substantial export contract in hand, skilled staff employed.

Price required for inclusive purchase £190,000. This item is genuine and capable of large expansion, with a product opening new markets. Personal reasons only for disposal. Sellers would consider 25% retention.

Management possible if required, on short term.

Principals only please.—Write Box B.5879, Financial Times, 10, Cannon Street, EC4P 4BY.

MERGER/REVERSE T/O OPPORTUNITY

Directors of a small Public Company (quoted) would like to meet principals of a good private company seeking a quotation for exploratory talks of a possible merger reverse T.O. arrangement. Advertiser's company—allied to Electronic / Telecommunication / Electrical Industries—for a quarter of a century—has modern premises situated Greater London area. Tie up conditional upon spare production capacity being taken up and present management remaining under usual contract. Principals only please write Box B.5833, Financial Times, 10, Cannon Street, EC4P 4BY.

QUOTED PUBLIC COMPANY

with property interests of approximately £4m. is interested in taking over private investment property companies for shares or cash.

Write Box B.8757, Financial Times, 10, Cannon Street, EC4P 4BY.

£10,000

personal loan, unsecured @ 15% required by Chartered Accountant to back undercapitalised venture currently yielding up to £500 per week net. Unable to carry debtors. Legal Agreement. Profits participation possible if long term loan. Write Box B.5828, Financial Times, 10, Cannon Street, EC4P 4BY.

BOARDROOM CONSULTANT

and colleagues, disillusioned with present charismatic management, and representing a multi-disciplined general management team, seek greater strength and flexibility through association with others similarly placed or with small established consultancies, and offer their services to commercial and industrial bodies with problems concerning corporate policy, organisation, etc. Write Box B.5831, Financial Times, 10, Cannon Street, EC4P 4BY.

MOTHER BUNCH IS COMING

A BARGAIN, LIMITED COMPANIES £38. Formation £35 inclusive. Express Co. Registration Ltd. (Dept. 9), 30, City Road, London, E.C.1. 01-628 5434/5.

BUILDER/DEVELOPER seeks backing for high class residential property venture. Write Box B.5860, Financial Times, 10, Cannon Street, EC4P 4BY.

COMMERCIAL SECURITIES LTD. invite details of projects requiring funds £5,000 to £25,000. *Building or bridging* finance and property transactions preferred but any well secured proposals will be considered. 051 236-4708/9.

EQUITY PARTICIPATION available in established business, full order book, *negotiating larger premises. Field leader*—Write Box B.5856, Financial Times, 10, Cannon Street, EC4P 4BY.

GOLDEN KITCHEN—Golden Opportunity latest Trends—Take Away Foods. Total Investment £7,500. Capital required £2,500. Brochure and details Golden *Kitchen Sales Office, York House,* Bond St., Bristol BS1 3PQ. Tel. 422166.

IS YOUR organisation getting the press you think it deserves? If not group of journalists can help. Please ring 01-583 8210, or write Box B.5854, Financial Times, 10, Cannon Street, EC4P 4BY.

NOMINAL PRIVATE investment required to assist in launch of new patented invention. Shares in equity available. Complete projections and specifications upon request.—Write Box B.5834, Financial Times, 10, Cannon Street, EC4P 4BY.

PRINTING. We guarantee to cut your present costs. Brochures, leaflets, stationery, magazines, tabloid newspapers 12 hrs London). Western Web Offset, 88, Nutwell Rd., Bristol. Tel. Bristol 28573.

READY-TO-WEAR Export. *Portuguese* organisation with marketing experience seeks representation to Portugal.—Apply to Clairville Court Hotel, 176, Cromwell Road, London, S.W.5.

WEST END property developers with small short-term schemes seek individual backers' participation. High profits and fully secured.—Write Box B.5833, Financial Times, 10, Cannon Street, EC4P 4BY.

YOUNG INVESTOR with £25,000+ looking for interesting company with good future prospects to invest in. Money is available with or without expertise in electro mechanical engineering. Would consider any viable proposition that will make money. Write Box B.5801, Financial Times, 10, Cannon Street, EC4P 4BY.

Problems? *Pass the Buck*

—to an experienced Management Consultant/Analyst with the ability to tackle any problem-area in businesses large or small.—Write Box B.5857, *Financial Times, 10,* Cannon Street, EC4P 4BY.

PROPERTY DEALING

PROPOSITIONS

We are looking for introductions to good short/medium-term residential or commercial property trading situations including companies with undervalued property assets. Please reply in strictest confidence to M.D.
Write Box B.5652, Financial Times, 10, Cannon Street, EC4P 4BY.

CASH AVAILABLE

Confidential (non-disclosed) invoice discounting usually costs less than your normal cash discount to customers. Available to established sound companies with turnover £75,000 up. Write Box B.5826, Financial Times, 10, Cannon Street, EC4P 4BY.

Up To £20,000

required to finance expansion of Electrical Contracting *Business. Working* Directorship considered. Write Box B.5584, Financial Times, 10, Cannon Street, EC4P 4BY.

COMPANY NOTICES

NOTICE OF REDEMPTION
To the Holders of

The Flintkote Company

4½% Debentures due October 1, 1980

NOTICE IS HEREBY GIVEN that pursuant to the provisions of Article Three of the Indenture dated as of October 1, 1960 between The Flintkote Company and Bankers Trust Company, as Trustee, the Trustee has selected by lot for redemption on October 1, 1971 at the principal amount thereof plus interest accrued to the redemption date, $147,000. principal amount of the 4½% Debentures due 1980 bearing the following numbers:

Coupon Debentures of $1,000. denomination

M 10	517	857	1098	1302	1509	1755	2118
11	576	859	1108	1322	1510	1756	2135
168	590	867	1132	1359	1517	1757	2143
171	674	945	1134	1383	1530	1758	2179
222	676	950	1136	1390	1578	1800	2205
240	684	979	1145	1408	1620	1802	2209
242	724	989	1156	1410	1622	1859	2274
347	725	993	1184	1424	1541	1912	2279
549	733	998	1232	1445	1671	1933	2293
353	745	996	1233	1456	1704	1984	2319
354	763	1039	1234	1458	1707	1999	2353
363	797	1044	1259	1490	1713	2001	2411
398	822	1045	1289	1495	1746	2057	2442
400	954	1048	1270	1499	1748	2105	2490
457	856	1065	1281	1501	1754	2108	2481

Fully Registered Debentures called for redemption in whole or in part

Fully Registered Debenture Numbers	Denomination	Amount Called
R-36	$ 1,000	$ 1,000
R-66	1,000	1,000
R-68	1,000	1,000
R-78	1,000	1,000
R-89	1,000	1,000
R-95	1,000	1,000
R-96	1,000	1,000
R-97	1,000	1,000
R-107	1,000	1,000
R-108	3,000	1,000
R-109	5,000	1,000
R-110	1,000	1,000
R-113	1,000	1,000
R-115	2,000	1,000
R-116	4,000	1,000
R-117	2,000	1,000
[illegible]	2,000	1,000
R-120	1,000	1,000
R-121	10,000	3,000
R-129	5,000	2,000
R-130	1,000	1,000
R-132	1,000	1,000
R-134	4,000	2,000

Accordingly, on or after October 1, 1971, the Debentures, or portions thereof, so designated for redemption will become due and payable and will be paid in the United States at the office of Bankers Trust Company, Corporate Trust Division, 1 Battery Park Plaza, New York, New York (mailing address: P.O. Box 2579, Church Street Station, New York, N.Y. 10008), or at the option of the holder, in England at the office of Montreal Trust Company, Brewers' Hall, Aldermanbury Square, London E.C. 2, England, upon presentation and surrender of said Debentures accompanied by all coupons appertaining thereto maturing subsequent to October 1, 1971. Coupons maturing October 1, 1971 or prior thereto should be detached and presented for payment in the usual manner. Registered interest will be paid to or upon written order of the registered holders in the usual manner.

Upon presentation of registered Debentures to be redeemed in part only, there will be issued by the Trustee a new Debenture or Debentures in the principal amount equal to the unredeemed portion thereof. Registered Debentures must be accompanied by proper instruments of assignment in blank where payment to anyone other than the registered owner is requested.

On and after October 1, 1971, interest shall cease to accrue on said Debentures, or portions thereof, designated for redemption.

The Flintkote Company
By: BANKERS TRUST COMPANY, *Trustee*

Dated: August 26, 1971.

Debentures Previously Drawn
The following coupon Debentures of $1,000. denomination, which were drawn for redemption on October 1, 1969 and October 1, 1970, have not yet been presented for payment.

October 1, 1969
M 1646

October 1, 1970
M 41 427 819 559 656 1252 1648

DE BEERS INDUSTRIAL CORPORATION LIMITED
(Incorporated in the Republic of South Africa)

NOTICE TO THE HOLDERS OF PREFERENCE SHARES
NOTICE IS HEREBY GIVEN that a dividend at the rate of 5½ per cent. per annum in respect of the six months ending *30th September, 1971,* has been declared payable to the holders of preference shares registered in the books of the corporation at the close of business on the 24th September, 1971.

This dividend is declared in the currency of the Republic of South Africa.

In the case of shareholders with registered addresses in Europe, or who have mandated payment to addresses in Europe, warrants will be posted from the United Kingdom and will be drawn in United Kingdom currency. Registered shareholders paid from the United Kingdom will receive the sterling equivalent of the rand currency value of their dividends on 28th October, 1971. Any such shareholders may, however, elect to be paid in South Africa currency provided that any such request is received at the offices of the Company's transfer secretaries in Johannesburg or in the United Kingdom on or before 24th September, 1971.

Shareholders whose registered addresses are elsewhere, or who have mandated payments to addresses outside Europe, or who have elected to be paid in South African *currency in terms of the preceding paragraph* will be paid from Johannesburg and all dividend warrants posted from Johannesburg will be drawn in South African Rand.

Any change of address or dividend instruction involving a change of office of payment to apply to this dividend must similarly be received by the corporation's transfer secretaries on or before 24th September 1971.

Shareholders must, where necessary, have obtained the approval of the South African Exchange Control authorities and, if applicable, the approval of any other exchange control authorities having jurisdiction in respect of changes in the office of payment.

This dividend is payable subject to conditions which can be inspected at the Head Office and London Office of the corporation and also at the offices of the corporation's transfer secretaries in Johannesburg and the United Kingdom.

Dividend warrants will be posted from the Johannesburg and United Kingdom offices of the transfer secretaries on or about the 4th November, 1971.

The preference share transfer books and register of members will be CLOSED from the 25th September, 1971 to the 8th October, 1971, both days inclusive.

The effective rate of Non-Resident Shareholders' Tax is 15 per cent.

By Order of the Board.
Per pro and on behalf of
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA, LIMITED.
London Secretaries.
E. Burrows.

London Office:
40, Holborn Viaduct, EC1P 1AJ.
Office of the United Kingdom transfer secretaries:
Charter Consolidated Limited,
Kent House, Station Road,
Ashford, Kent.
8th September, 1971.

ELDER SMITH GOLDSBROUGH MORT LIMITED

Notice is hereby given that a Final Dividend at the rate of 5½ per cent. on the Paid-up Capital of the Company (thus making, with the Interim Dividend of 5 per cent., paid 30th April, 1971, a total distribution of 10½ per cent. for the year to 30th June, 1971) has this day been declared payable on 8th November, 1971.

The Registers of Members and Transfer Books will be closed from 7th to 8th October, 1971, both dates inclusive for the purpose of determining entitlements to the Final Dividend.

By Order of the Board.
K. C. Silver,
Secretary.

Adelaide, 7th September, 1971.

HUDDERSFIELD CORPORATION

£500,000 bills were issued 7th September, due 7th December, at 4½%. Total amount of bills outstanding is £1,000,000.

INTERNATIONAL PUBLISHING CORPORATION LIMITED

NOTICE IS HEREBY GIVEN that the TRANSFER BOOKS of the
3½% Debenture Stock 1974-79
5¼% Debenture Stock 1974-79
5½% Debenture Stock 1983-88
6¼% Debenture Stock 1983-88
will be closed on the 1st October, 1971, for that day only, for the purpose of preparing half-yearly interest warrants payable on the 1st November, 1971.

By Order of the Board,
W. J. CHANDLER, Secretary.
Orbit House,
9 New Fetter Lane,
London, E.C.4.

THAMES HOUSE ESTATE LIMITED

NOTICE IS HEREBY GIVEN THAT the Transfer Registers of the Company's 3½% First Mortgage Debenture Stock will be closed from 17th to 30th September, 1971, both dates inclusive, for the preparation of Interest Warrants for the *half-year ending 30th September,* 1971, payable on 1st October, 1971.

By Order of the Board
G. L. WARD, Secretary.
Thames House,
Millbank,
London, SW1P 4QN.

Notice to Holders of
KING RESOURCES CAPITAL CORP., N.V.

$15,000,000 5¾% *Guaranteed* (Subordinated) Convertible Debentures due 1988
(Convertible into Common Stock of, Guaranteed as to Payment of Principal, Premium, if any, Interest and Sinking Fund, and Subordinated to Certain Present and Future Indebtedness of, King Resources Company.)

NOTICE: In the District Court of the United States for the Northern District of Texas, Dallas Division. In the Matter of King Resources Company, Debtor. *In Proceedings* for the Reorganization of a Corporation, No. BK 3-2304-B:

TO CREDITORS, DEBENTURE HOLDERS, DEBENTURE TRUSTEES AND STOCKHOLDERS OF THE DEBTOR: The petition of Atlas Mud Company, Black, Sivalls & Bryson, Inc., and Johnston, a Division of *Schlumberger Technology* Corporation for the reorganization of King Resources Company ("Debtor") and for relief under Chapter X of the Bankruptcy Act has been approved and on the 23rd day of August, 1971, orders were entered appointing Kial Boone as Trustee of the said Debtor and A. Rowland Boucher as Additional Trustee of said Debtor.

NOTICE IS HEREBY GIVEN, pursuant to the aforesaid orders of hearings to be held by Dean Gandy as Referee and Special Master, in the District Court of the United States for the Northern District of Texas at the Courtroom of the Honourable Sarah T. Hughes, United States District Judge, 15th Floor, Federal Building, 1100 Commerce Street, Dallas, Texas, as follows:

(1) On the 21st day of September, 1971, at 10:00 a.m. at which hearing the Court will hear any objections to the retention in office of the Additional Trustee pursuant to Section 160 of the Bankruptcy Act.

(2) On the 15th day of October, 1971, at 9:30 a.m. at which hearing or any adjournment thereof, objection may be made to the retention of the Trustee on the ground that he is not qualified or disinterested and at which all interested parties may be heard with respect to the retention or transfer of this proceeding.

BY ORDER OF THE COURT
Kial Boone, Trustee of
King Resources Company, Debtor
September 1, 1971

THE CONSOLIDATED DIAMOND MINES OF SOUTH WEST AFRICA LIMITED
(Incorporated in the Republic of South Africa)

NOTICE TO THE HOLDERS OF ORDINARY SHARES
NOTICE IS HEREBY GIVEN that dividend No. 87 of R1.50 per share, being the interim dividend in respect of the year ending 31st December, 1971 (1970 interim R1.50), has been declared payable to the holders of ordinary shares registered in the books of the company at the close of business on 24th September, 1971, and to persons presenting coupon No. 67 detached from share warrants to bearer. Dividends on share warrants to bearer will be paid in terms of a notice to be published in the press at a later date by the London Secretaries of the company.

This dividend is declared in the currency of the Republic of South Africa.

In the case of shareholders with registered addresses in Europe, or who have mandated payment to addresses in Europe, warrants will be posted from the United Kingdom and will be drawn in United Kingdom currency. Registered shareholders paid from the United Kingdom will receive the sterling equivalent of the rand currency value of their dividends on 28th October, 1971. Any such shareholders may, however, elect to be paid in South African currency provided that any such request is received at the offices of the company's transfer secretaries in Johannesburg or in the United Kingdom on or before 24th September, 1971.

Shareholders whose registered addresses are elsewhere, or who have mandated payments to addresses outside Europe, or who have elected to be paid in South African currency in terms of the preceding paragraph, will be paid from Johannesburg and all dividend warrants posted from Johannesburg will be drawn in South African rand.

Any change of address or dividend instruction involving a change of office of payment to apply to this dividend must similarly be received by the company's transfer secretaries on or before 24th September 1971.

Shareholders must, where necessary, have obtained the approval of the South African Exchange Control authorities and, if applicable, the approval of any other exchange control authorities having jurisdiction in respect of changes in the office of payment.

This dividend is payable subject to conditions which can be inspected at the Head Office and London Office of the company and also at the offices of the company's transfer secretaries in Johannesburg and the United Kingdom.

Dividend warrants will be posted from the Johannesburg and United Kingdom offices of the transfer secretaries on or about the 4th November, 1971.

The ordinary share TRANSFER BOOKS and REGISTER OF MEMBERS will be CLOSED from the 25th September, 1971, to the 8th October, 1971, both days inclusive.

In terms of the Income Tax Acts of the Republic of South Africa and of South West Africa, the following taxes will be deducted by the company:—

Republic of South Africa Non-Resident Shareholders' Tax at the effective rate of 6.786 per cent.

South West Africa Non-Resident Shareholders' Tax at the effective rate of 6.884 per cent.

By Order of the Board.
For and on behalf of
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED
London Secretaries.
E. BURROWS.

London Office:
40, Holborn Viaduct, EC1P 1AJ.
Office of the United Kingdom transfer Secretaries:
Charter Consolidated Limited,
Kent House, Station Road,
Ashford, Kent.
8th September, 1971.

L. GARDNER & SONS LTD.

NOTICE IS HEREBY GIVEN that the ORDINARY STOCK REGISTER of the Company will be CLOSED from 20th September, 1971 to 30th September, 1971, both dates inclusive, for the preparation of Dividend Warrants.

F. G. WILKINSON.
Director & Secretary.
Barton Hall Engine Works,
Patricroft, Eccles,
Manchester.

THE BRITISH STEAM SPECIALTIES LIMITED

NOTICE IS HEREBY GIVEN that the Debenture Stock TRANSFER BOOKS will be CLOSED from 18th September to 30th September, both dates inclusive. Payment will be made on 30th September 1971 to Stockholders registered at the close of business on 17th September 1971.

By Order of the Board,
R. O. THOMPSON, Secretary.
Fleet Street,
Leicester.
1st September, 1971.

BUSINESS AIRCRAFT

Executive Aircraft

Fly direct to any point in the U.K. or Europe. Fly when it suits you, without delays and without baggage-handling problems. A telephone call puts at your personal service a luxurious 8-seat Queen Air mini-liner, a 5-seat Baron executive aircraft or a Jet-Ranger helicopter. Ready to take you on business or personal travel anywhere. Call us today for full details or write to:—

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Leavesden Aerodrome,
Nr. Watford, Herts.
Tel: Garston 75233 or 01-493 9182

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UNDERSTANDABLE ECONOMICS

Economics made easy at the ESSRA School of Economic Studies. Evening classes at Victoria begin September 14 & 15, 7 p.m.

Subjects include: Economic definitions, Basic economic principles, Inflation, Employment, Wages, Prices, Taxation, Subsidies (no previous knowledge assumed). 12-week course £2, all material supplied.

Specific courses on International Trade, The Classical Economists and Current Economic Theories are available as follow-on courses.

Write or telephone for prospectus to the Secretary (or you many enrol on the opening evenings).

ECONOMIC AND SOCIAL SCIENCE RESEARCH ASSOCIATION,
177 Vauxhall Bridge Road, SW1.
Tel: 834 4286/4979.

PERSONAL

FRENCH LINGUIST experienced in providing grammar conversation lessons for senior executives has tuition time available. Tutor willing to arrange a timetable and study location to suit convenience.—Write Box B.5850, Financial Times, 10, Cannon Street, EC4P 4BY.

PLANT AND MACHINERY

CABLE

1,000 tons urgently required. Also electric motors, switch gear and new and used machinery.
Immediate settlement.
Hockley Metal Company,
52, Heaton St., Hockley,
Birmingham 18. 021-554 0231.

50 TON Goliath Crane manufactured by Babcock and Wilcox Ltd., Renfrew, in 1960. Span 71' 0", height of lift 73' 8": lifting duty 50 tons at 20' per minute: cross travel speed 50' per minute: long travel approx. 100' per minute: weight of crane 100 tons: electrics 440 volts 3-phase 50 cycles. Complete with about 300' of track. Apply: Geo. H. Campbell & Co. (Glasgow) Ltd., Atlas Works, Carlisle Road, Airdrie, ML6 8AE. (Tel. No. Airdrie 62823).

Advertising and ...

Vat 69 sticks to Walls

ONE FIRM believer in posters is Ronnie Kirkwood—at least as far as client Vat 69 is concerned. The agency chose posters a year ago when it won this whisky account and the gamble seems to have paid off. In the past year Vat 69 has doubled its sales and its market share—it now holds 6 per cent. of the U.K. whisky market.

Not all the increase can be attributed to the advertising. Bass Charrington became the *agents for* the whisky last year and it has been established as the "pouring" brand in its 12,000 pubs. If you just ask for whisky you are more than likely to get Vat 69. Even so the company believes that the publicans have accepted the brand because of the effectiveness of the poster advertising.

The overall aim of the 4,500 posters was to remind people of the existence of Vat 69. The name tended to be lodged at the back of their minds. A similar approach has been adopted for the run up to Christmas this *year. The ads. (one of which is* shown here) exhibit the same light-hearted approach with the aim of attracting younger whisky drinkers. This year the budget has been increased (from £70,000 to £100,000) and the length of the campaign extended — to March for the London area. But it is again all concentrated on posters.

The same sort of sale increase cannot really be hoped for the next twelve months. Even so Vat 69 has moved up to sixth place in the whisky league table after Haig, Johnny Walker, Teachers, White Horse and ... A year ago it was equal ... and presumably has ... Black and White, ... Dewars. If it can ... recent gains ... Distillers Company), ... agency should be delighted.

A seed give-away

BY SHEILA BLACK

"FANTASTIC for 1972" is the headline on Suttons Seeds advertisements *for the coming season.*

The "fantastic" applies to the free gift scheme of a plastic "T" Plant label with every packet of seeds. *Giveaways with* anything quite as cheap as seeds are rare—"there was a bit of an outcry about our proposed insanity when we first mooted it," said Timothy Collins, son of Douglas Collins who revitalised both Suttons and the seed business when he moved his marketing ideas into the business. (Collins was the man who founded Goya perfumes.)

The cost to Suttons, of this free label promotion is likely to be £30,000. Normal budgets for straightforward advertising will not be reduced—about £200,000 will be spent on trade and consumer press, as well as on television.

Television is another surprise, since it is not usual for seed advertising. Indeed, Suttons and the Carters-Cuthbert duo are the only aggressive advertisers in the business to-day, and the Collins team are betting a lot with seed buying time.

... pare.

An argument in ... advertising and its ... volume sales is the fact ... packet prices are virtually changed over the last ... Indeed, many are ... they did in 1913. Most of ... seed packets for the ... cost 5p (and a good ... only 4p). The free label ... effective price reduction ... fore of 10 to 12½ per ...

Besides the promotion expenditure, Suttons is spending heavily on research to find ... marketable breeds. A ... hybrid tomato, for outdoor cultivation, has been born ... French and English parents give "high quality with ... yield and more than a touch of precocity (which is Tim Collins for early cropping).

The expense seems to pay. In 1964/5, Suttons trading ... was £16,000. The Collins ... and his promotional enthusiasm resulted in a £97,000 profit 1969/70. The 1970/71 figures ... better that, in spite of the ... Office strike which coincided with seed buying time.

Agency News

● Brooke Bond Oxo: *Introducing a sweet pickled onion under* the Haywards brand label as part of a move to expand the total £14m. pickle market. In the *initial stages TV* will be used in the London area.

● Civic Stores: To spend £175,000 on advertising the chain of electrical stores this autumn as well as £175,000 on promotions.

● Colston: Over 50 ads. this autumn in the Press for dishwashers plus separate ads. in two national dailies for washing machines.

● Ever Ready: To sell its batteries on all TV stations during October and November.

● Findus: Spending £100,000 in women's magazines to promote frozen fish.

● Kiwi Polish Company: October Press campaign will carry 2p-off *coupons in some 13.1m. copies.*

● IPC Magazines: Has minted 14m. golden zodiac charms which will be stuck—two at a time—on Woman magazine for three weeks from the September 18 issue. ... operation, *plus advertising* a team of girls at railway stations is costing almost £130,000.

● Oldham Batteries: A publicity budget of £60,000 is behind ... autumn drive which includes ... contest for motorists with a prize of £15,000. Press and ... advertising is scheduled October-November.

● Russell Hobbs: £90,000 ... campaign for the electric ... ances carries on the theme ... present you're tempted to ... for yourself." Agent: C... Brown Orr.

● Whitbread: From next ... a "horse racing" co... through 1,800 pubs will ... £100,000 in prizes.

● Paul Hoppe, joint cr... director of Batten Barton ... stine and Osborn, has ... appointed European cr... co-ordinator of Team-B... International. It is a ... appointment and "springs ... the increasing number of ... pean advertising develop... in which BBDO is involved ... Peter Mayle, who became a d... ter following the acquisition ... Papert Koenig Lois, now ... comes creative director of ... London agency.

Own brand push by Spar-Vivo

REDUCTIONS of 1p or ½p on 30 Spar or Vivo own-brand grocery items were announced in London yesterday by Spar Vivo's managing director Mike Reynolds. They will be implemented in the 4,200 stores of the voluntary group—which has sales of £200m. a year—over the next few weeks.

Mr. Reynolds was introducing the group's promotion plans for the autumn which will concentrate on the savings that can be made. For Spar there will be Press and TV advertising, leaflet drops of 1m. for each of three fortnightly national promotions and a series of money-off coupons.

Vivo brands will also get fortnightly promotions and 6m. leaflets are to go out. Value Centres, the cash and carry side of the business, will be offering a "passport to the sun" contest for trade customers with a first prize of a £500 holiday for two. Entry forms will be sent to 70,000 customers and they will also be available at the Centres. Sales director John Irish said the whole operation was costing £400,000.

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The Marketing Scene

The probable disappearance of Cosales, and the formation of a central buying point, marks a revolution in poster advertising at a time when this medium looks increasingly attractive to advertisers.

A new era for poster ads

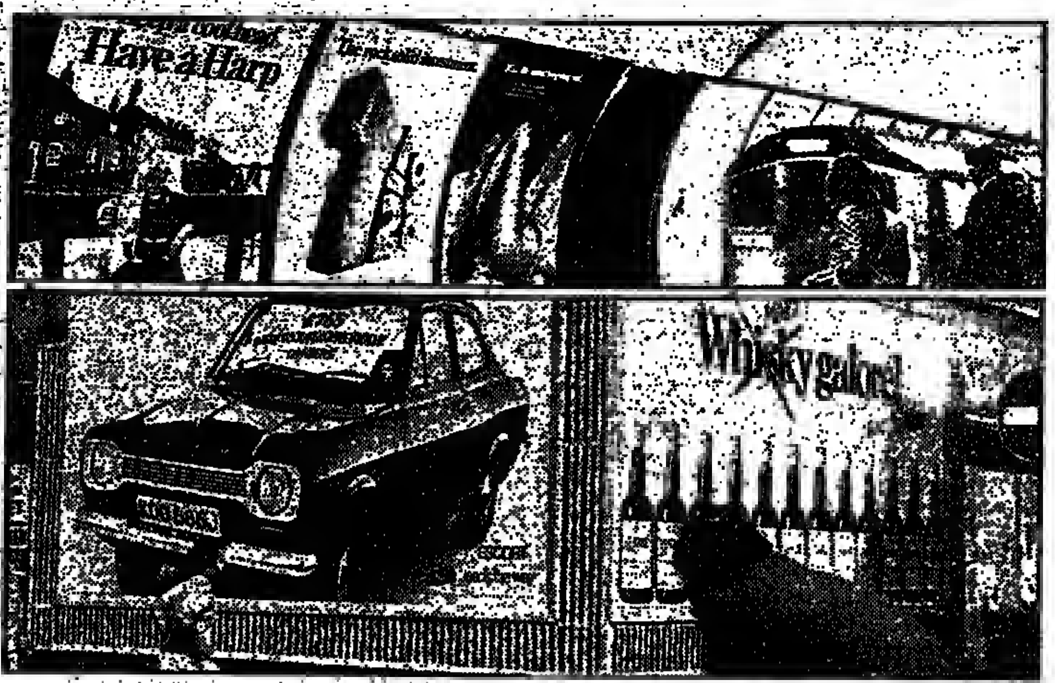
BY ANTONY THORNCROFT, MARKETING EDITOR

THE BRITISH poster industry faces the biggest upheaval in its history in the next few months with the formation from October 1 of a new selling organisation, British Posters, and the disappearance of the present promotional, and more recently sales, operation Cosales.

The change has been precipitated by the decision of the three largest companies Mills and Allen (turnover £3½m.), London and Provincial Poster Group (£3m.) and More O'Ferrall to break away from Cosales and Posters will offer the agency the full 15 per cent. commission: the industry feels that it lost out in the past because the agency often worked through specialist agents who creamed off some of the commission.

Heading the new company will be Mr. David Harrison, who was formerly sales controller at Tyne Tees Television, and he will have a staff of six salesmen recruited from posters, television and agencies. To back up their efforts there will be an advertising campaign to the value of £50,000. Allan, estimates that between 15-20 per cent. of the total available poster sites are going free to advertisers at any one time because of gaps in the start of new campaigns and the current looseness in selling. It is this amount of extra business that the three companies expect to make up through the more scientific, computer-based, coverage offered by British Posters.

There will, of course, be gaps. The three companies are able to co-operate together because they operate in different parts of the



Posters above and underground may soon be purchased through one buying point.

to finance, to the tune of almost £200,000, the new company. They feel that the 24 poster companies involved in Cosales slowed down decision making processes and they were anxious to start a company which concentrated on selling poster campaigns. The withdrawal of these three companies, which account for over 70 per cent. of all poster sites in the U.K., is likely to mean the demise of Cosales.

British Posters intends to be fully operational by April 1. It will offer advertising agencies a range of poster campaigns divided into television regions. There will, for example, be the prime housewife campaign designed for packaged goods companies. This will cover sites in shopping centres to ensure maximum impact on the target group. For campaigns aimed at men there will be a predominance of sites in commercial centres and at road roundabouts. And the various campaigns will be graded according to the quality of the sites so that the advertiser can pay a little or a lot. It will also be possible to buy twelve regional campaigns and consequently cover the country.

The overall aim is to make buying posters as simple as buying television time or Press space. In addition, British The agency to handle the advertising will be chosen to-morrow from a short list of three.

British Posters follows on the footsteps of Cosales Impactaplans which began to offer advertisers and agencies a central buying point. But whereas the Impactaplans were an across-the-board selection of sites, British Posters intends its packages to be more carefully tailored to the demands of advertisers. It also plans to provide as much prior information as possible about the effectiveness of the campaigns.

The major criticism of posters in the past has been that it is very difficult to scientifically measure how many people have seen the advertisements and to assess their impact upon them. British Posters in addition to offering a "rate card" will also supply a breakdown of sites by area, type of location, expected coverage, and an actual list of sites. So an advertiser who wishes to place posters in a particular town to back up a test market, or to impress its employees, or worry its competitors, can receive a list of suitable sites from British Posters.

From the poster companies point of view the new organisation with its fixed time preselected campaigns will prevent a great deal of the waste endemic to the industry. Jeremy Arnold, managing director of Mills and country. But they are all weak in Plymouth and the South-West, despite claiming 98 per cent. effective coverage of the population. Undoubtedly this sales union between the leading companies will make things tougher for the small local independents, and further intensify the wave of takeovers and mergers which has rationalised the poster industry in recent years. Only this week London and Provincial Posters acquired another three small companies.

The only major outdoor advertising power outside British Posters at the moment is British Transport Advertising. If, as seems possible, the advertising interests of London Transport (bus sides, tube cards, etc.) are linked with British Transport this will make it a force that British Posters would be pleased to co-operate with. It is on the cards that the big three will eventually become the big four.

There will, however, be one important sector of outdoor advertising outside the direct control of British Posters. That is the supersites, those large (36 foot long or more) solus sites most characteristically seen on the way to London Airport. There are about 1,500 of them in the U.K., most of them owned by More O'Ferrall. But there will be rationalisation here because More O'Ferrall will take on the selling for those supersites owned by Mills and Allen and London and Provincial.

The overhaul in selling poster sites comes at a time of revived interest in the medium. Advertising expenditure has been rising steadily for two years and total spending on outdoor poster sites (excluding bus sides etc.) should be a record £12m. plus this year. New advertisers, especially in the consumer goods field, are showing special interest. The whole industry is becoming modernised. Bad sites are being taken down (Mills Allen has removed 6,000 this year) to be replaced by new four-sheet sites in shopping centres, with better-produced and illuminated posters. The Common Market, where posters are a more important advertising medium, offers great opportunities. In these circumstances the few growing companies wanted the freedom to push through change. They have got it with British Posters. It may mean an increase in charges for advertisers, but at least for the first time they will know what they are getting for their money. And posters remain a cheap way of getting mass impact with a simple, memory jogging, message.

PAM JUDGE writes: British Transport Advertising, however, does not have many of the same kind of sites involved in British Posters' operation. Its stations, bus routes and ships do not clash with the highway sites so there is no real barrier to joining the set-up. But BTA would retain its own sales force.

Another irony is that BTA has just leased 32,000 out of its 300,000 sites to Mills and Allen and London and Provincial. The new leases are for 3 or 4 years. Previously the lease ran for 10 years.

Among developments in the BTA pipeline is the possibility of giant "TV" screens on station concourses. Through the use of an Eidophor projector, railway announcements, such as train departures, could be interspersed with advertisements. Incidentally exhibitions on concourses are now bringing in some £60,000 a year.

The company is host next week to the International Federation of Railway Advertising Companies since managing director John Nunneley is this year's president. One project he is putting forward is an international Inter-City facility for poster campaigns to cover Europe. A rough example of the cost would be £30,000 for 3 months on about 60 stations. The 19 delegates from 13 countries will also hear a paper on sex in advertising and the question of a possible IFER code on the subject will be discussed.

MARKET RESEARCH AND EUROPE

Time for a British take-over

BY KELSEY van MUSSCHENBROEK

THE OTHER day Unilever's international market research offshoot, Research Bureau Limited, received a letter from an accountant. On behalf of "a client" the accountant wanted to know how to start researching the European market. From RBL's point of view the letter may have been flattering, but in practical terms it was virtually useless—there was no mention of product, price range, or even which part of Europe the client was aiming at.

If the incident reveals a somewhat alarming lack of understanding about the realities of what is supposed to be a "make or break" marketing opportunity for British industry, it nevertheless shows that even the uninitiated are aware that the Common Market will just not "happen" on its own, but will have to be made to happen.

Contribution

Accurate market research is likely to make an important contribution to the effectiveness of Britain's performance in Europe, and that much seems to be agreed on by both market researchers and major users of research. What is not agreed is the best way of carrying out that research.

The problem is that there are few genuinely international market research companies. In the consumer goods fields companies like RBL and A. C. Neilsen are the exception and the same goes for names like Battelle and Arthur D. Little in the industrial field.

The standard pattern is for local market research companies to establish links with foreign "associates," but often this boils down to no more than agreement to channel business each other's way. Audits of Great Britain has sought to strengthen this sort of relationship by establishing a formal "Europanel" with four other European market research companies, but it is admitted that a great deal of work needs to be done before each member's research techniques are standardised.

The issue before the market research user, therefore, is whether to place a European assignment through a British company or go direct to a local European company. The case for using a U.K. company depends on how much weight is attached to its ability to interpret and co-ordinate work done by associates. The case against tends to reflect the user's confidence in his ability to give the European research company a meaningful brief, as well as his own interpretive strengths.

This is hardly an issue capable of being neatly resolved, but it does highlight differing opinions about the relative state of the market research art in Britain and Europe. As such it points to yet another issue which could have important implications for Britain and Europe.

It is this: because Britain has had a longer tradition of sophisticated consumer goods marketing, its market research industry is that much more developed than in the EEC. This means that there is more data available on any number of U.K. markets than there is readily to hand on European ones. As a result it should, in one sense, be easier for European companies to attack this market than the other way around, especially after EEC trade barriers are removed. In market research terms the U.K. is, therefore, more "exposed" than the EEC countries.

It is difficult to know what to make of this argument. True, there do appear to be more market research companies in Britain than in any of the Common Market countries. For example, European Society of Market and Attitudinal Research (Esomar) lists 11 member companies in Belgium, 27 in Holland, 33 in Italy, 39 in France, 49 in Germany—and 64 in the U.K.

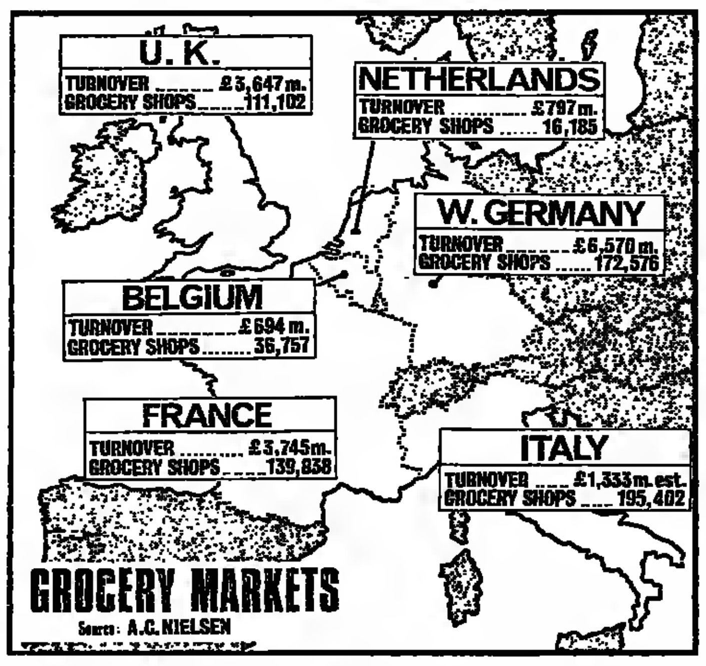
Moreover, market research in Europe is much more expensive than in Britain. The British Market Research Bureau estimates that on average a "one off" study in Europe costs twice as much to carry out. Even continuous market research such as that offered by the A. C. Nielsen company through its various European subsidiaries, which benefits from certain economies of scale by being sold in a standard form to a large number of clients—even this is more expensive in Europe.

For example, the Nielsen "Food Index" which monitors the movement of food and groceries through retail outlets costs a basic $1,688 a month in Italy, $1,715 in France, $1,858 in Germany, but only $1,119 in the U.K.

To start with, these higher charges reflect higher wage and salary levels in the EEC. Secondly, whereas women tend to be used (often part time) for much of the groundwork in British market research—especially in ad hoc and consumer attitude studies—in the EEC men normally do this work.

Thirdly, to-day Europe's grocery structure is in a far greater state of flux than the U.K.'s. After years of stagnation, while Britain went through its supermarket revolution in the 1960s, Europe's grocery trade is now going through a phase of almost explosive change.

This makes it harder and therefore more costly to keep up with what can suddenly become significant shifts in distribution channels. For instance, at the beginning of this year Neilsen's German company added 50 stores to the sample it uses to produce the Food Index, bringing the total up to 1,000. The work load that this extra 5 per cent. in store numbers involved in terms of time, people and money rose by 22 per cent.



Moreover, from the market researcher's point of view, the rapid growth of Europe's very large, out-of-town retail units brings problems of its own. It is not just a question of definition (should a "one stop" shop be classed as a grocer, chemist or hardware store?), but of gaining access to the outlet in the first place.

Says Mr. Walter Speidel, head of Neilsen's European operations: "The small traditional grocery store is easy to sign up for the sample. The store keeper is only too pleased for one of our men to carry out a free stock check for him, and be paid a small fee as well. The modern mass merchandiser, however, is very different. When you are turning over millions, our fee is neither here nor there. And the presence of our auditors can be regarded as a nuisance." As a result, each mass merchandiser has to be approached from head office, using top management time.

In Germany, Neilsen estimates there are now 630 mass merchandisers (the German equivalent of the French "hypermarket"). It has taken the company two years to sign up 10 per cent. of these for inclusion in its Food Index store sample.

Another problem which Neilsen comes up against is how to categorise the various types of small stores selling consumer goods, which still abound in Europe. The local grocery store in, say, Italy is a very different animal to that in Belgium.

Although Neilsen is unique as an international company providing continuous market research in the grocery field, a few British companies have ambitions in this direction, too. Probably the most notable is AGB which has made a name for itself in the U.K. with its "pantry check," which involves the physical monitoring by its own auditors of consumer goods used in British households. Over the past few years AGB has made a strong selling point of this technique when comparing it to the "diary" method used by competitors. As part of the Euro-panel association, however, AGB is the odd man out: all the other members use the diary technique. Such are the problems of taking a European view of market research.

Nevertheless, does all this mean that because market research in Europe is different, more expensive, takes longer to produce and is carried out by fewer companies—does this really mean that in some sense British companies will be fighting for their EEC markets with one hand tied behind their backs? For this argument says nothing about the quality of the research done in Europe, or or about the initial strength of British companies using it.

In Germany and Holland, especially, published commercial data is reckoned by many U.K. companies to be remarkably detailed and wide-ranging. And there is little evidence to suggest that the quality of market research done in these countries (or elsewhere in the EEC for that matter) is any worse in terms of quality. As Cadbury Schweppes says of Germany, for example: "If you ask for research in Germany, it will take longer than here; it will be very expensive; it will be presented in three bound volumes by two doctors of philosophy. But it will be very thorough and very reliable."

Moreover, if British consumer goods markets are as highly developed as they are supposed to be both in terms of the sophistication of the companies selling in them and the companies researching them, then surely this implies marketing skills which should be used to advantage inside the EEC. With companies like Beecham, Cadbury Schweppes, Brooke Bond Oxo and Reckitt and Colman now spending substantially more on market research than even a couple of years ago, the majors at least appear determined to move into the EEC with both hands free.

Although figures are hard to come by, it seems that most of these increased funds are not being channelled through U.K. market research companies—either they are being spent directly in Europe, or on research done internally. There can be little doubt that a number of major research users believe that U.K. market research companies are not genuinely European enough to operate in the EEC.

Given this, the only way in which U.K. market researchers will be able to capitalise on the market research boom now starting to go Europe's way, is by abandoning the tradition of "association" with their EEC counterparts in favour of full-scale mergers or take-overs. The real issue, in fact, is not whether there is an adverse market research "balance" with Europe, but whether the present structure of the U.K. market research industry makes sense in the context of the EEC.

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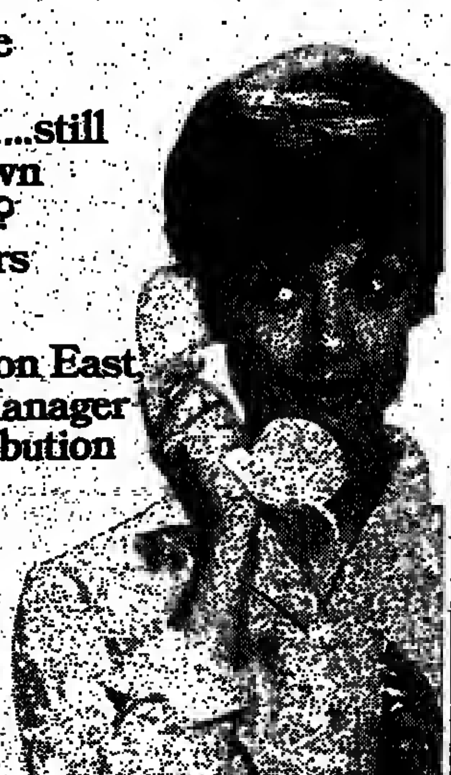

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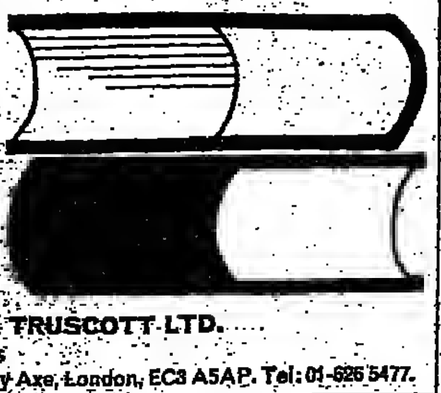

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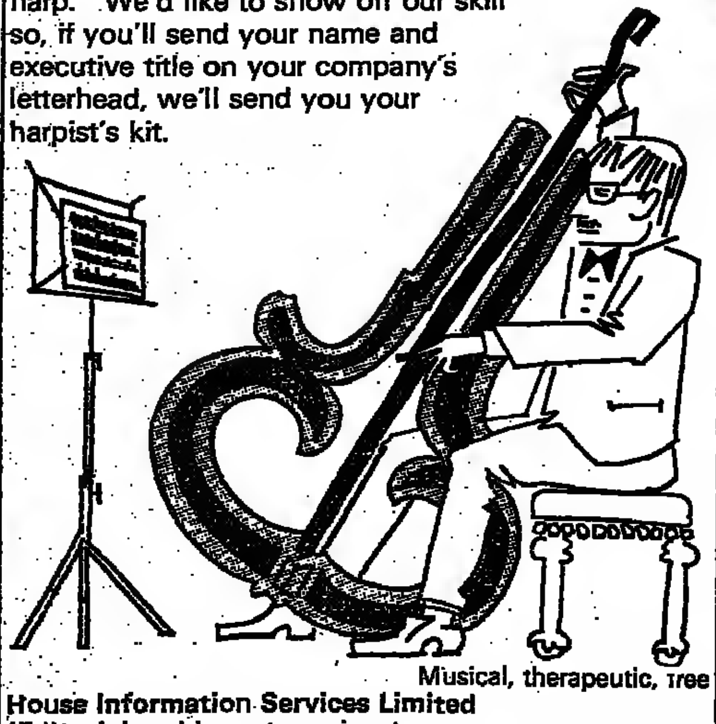

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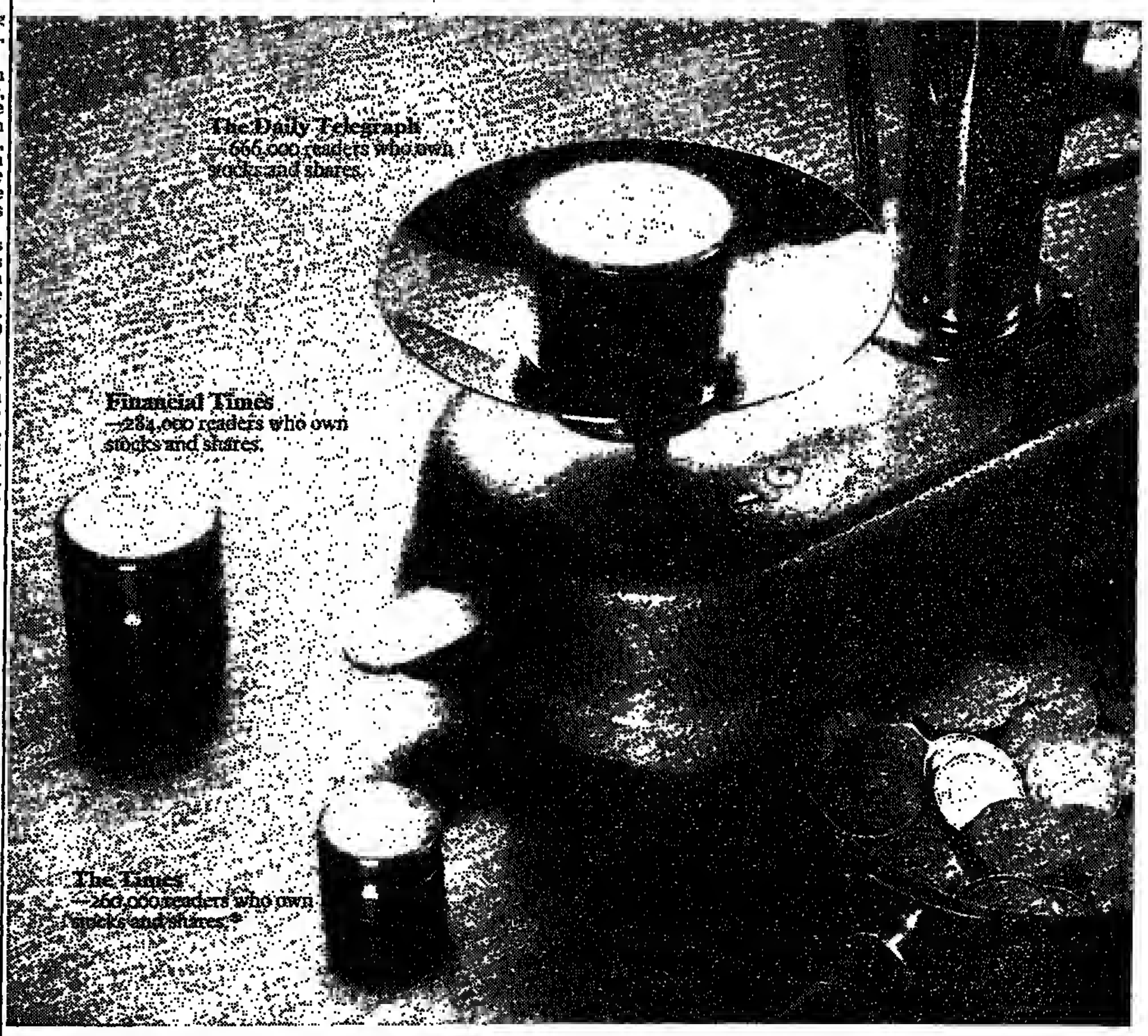

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THURSDAY SEPTEMBER 9 1971

Politics and profits

TWO INTERESTING pieces of information have been published within a few hours of each other. One has been the news from the Confederation of British Industry that 175 of the 201 leading firms approached by the President have signed an undertaking to limit any unavoidable increases in prices to 5 per cent or less up to July 31, 1972.

The other item of news has been the publication of the new "National Income Blue Book," which gives details of the declining trend of profits over the last decade. Even a cursory glance at the latest Blue Book reveals the great squeeze which has been operating on the cash flow and the rate of return of the corporate sector.

Downward trend

Corporate earnings, measured in any meaningful sense, have been on a long term downward trend, which was aggravated by severe short-term pressures. Over the average of the decade 1960-1970, corporate profits represented 13.9 per cent of total domestic income, but by 1970 they were down to 11.6 per cent. This is a fall of about a sixth—and the method of comparison very much understates the extent of the downward drift. Between 1969 and 1970 income from employment was up by 12 per cent., despite the decline in the working labour force. Company trading profits on the other hand were virtually unchanged, if a proper allowance is made for stock appreciation. On this basis trading profits in both 1969 and 1970 were some way below the 1968 level; and this was during a period when the CSO index of all prices rose by 12½ per cent.

The Blue Book does not publish direct figures on the rate of return; but some revealing comparisons can nevertheless be made. Between 1960 and 1970 the net capital stock of the company sector slightly more than doubled. During this period trading profits, deducting stock appreciation, rose by less than a fifth. Total company income has been cushioned by a rise in income from abroad and in non-trading income—a large part of the latter reflecting simply higher interest rates.

This drastic reduction on the return from an investment inside British industry can hardly be a healthy sign. For it is most unlikely that the reason lies in the saturation of the British economy with excessive capital. Profits have been held down by a number of artificial influences. These include the failure of companies to allow for inflation—and in particular changing rates of inflation.

Sir Hugh Weeks, writing in the September issue of the CBI Review, agrees that it would be an unwise long-term policy to accelerate the decline in the rate of return on industrial assets: indeed, the reverse needs to happen. The editorial in the Review concedes that the CBI price pledge will be harder on the firms which have kept their prices down than on those that have raised them recently, and that companies embarking on investment or expansion may feel particularly apprehensive.

Justification

Two main justifications are nevertheless offered. One is that the more expansionist policy on which the Government has now embarked, will be helpful to profits through its effects on turnover. There is, however, little evidence that the CBI move has had more than a minor effect on official financial policy. The other justification is that the move will change the climate of expectation and lead to lower wage increases. The odds are that hourly earnings will rise more slowly in the coming months than they did last winter: but how far this will be due to the CBI initiative, and how far to the shake-out in the labour market, is just the type of question on which economists will for ever argue.

The best case that can be made for the CBI initiative is that it will not do much more than effect the timing of the increases that member firms would have made in any case, and that it will not be too difficult to find extenuating circumstances for those firms which need substantial price increases before next July. But in the last analysis firms would be well advised to give high priority to their own profitability. The main trouble with the profit motive is that it has not really been tried, and after more than a decade of industrial statesmanship, which has achieved very mixed results, the leaders of industry might well be advised to give the profit motive a thought.

Moscow's new Westpolitik

THE PRESENT Kremlin leadership has tended to be as conservative in its travelling habits as it has been in its foreign policy-making. It has preferred, by and large, to have people that matter in the outside world to come to Moscow rather than to have to go a-courting itself. For this initial reason, the announcements that a number of trips abroad are to be made very soon by Messrs. Brezhnev, Kosygin and Podgorny—most of them in an unprecedented flurry to the non-Communist area—should be given close attention.

Activity

The timing of these announcements is one of their more interesting features. They have been made in the wake of a period of unusually intense diplomatic activity in other parts of the world, and this activity has manifestly encroached on areas in which Moscow has very considerable interests. It would be understandable, therefore, if Moscow had now decided that the time was ripe to make up lost ground, and quickly. It is questionable, however, whether this ground will be made up in such capitals as Oslo, Copenhagen, Algiers or Belgrade.

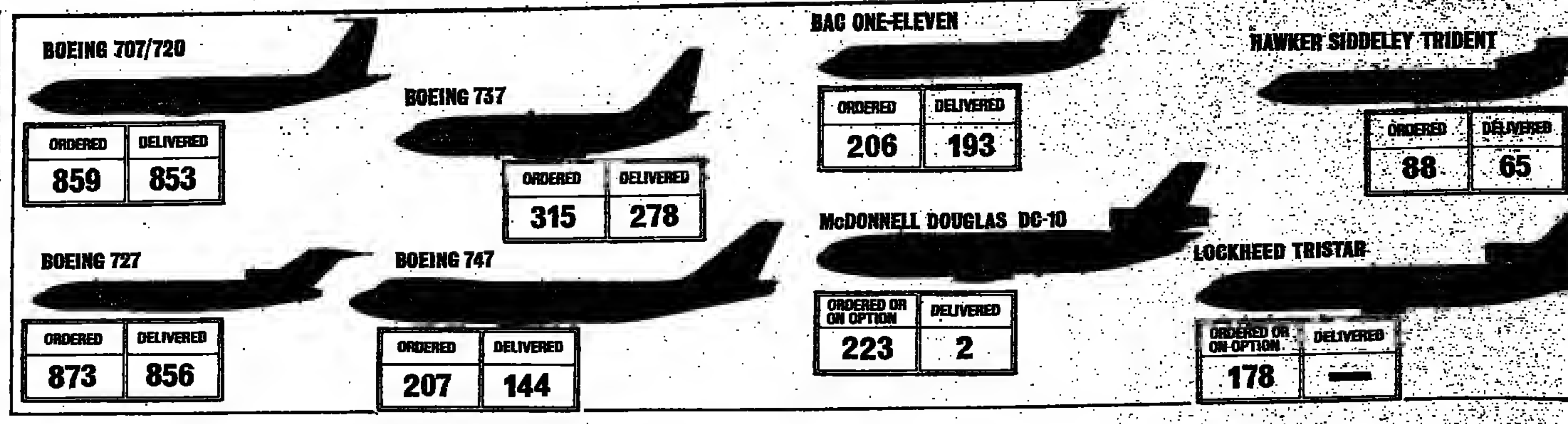
This is partly because Soviet foreign policy-makers have suddenly found themselves with a reputation for being caught wrong-footed, and there is some ground for such accusations. President Nixon's announced intention to go to Peking—perhaps to reach an understanding on Vietnam, behind the Russians' backs—caught Moscow unawares and disturbed it deeply.

On the other hand, the Russians have gained considerable international kudos from the recent Berlin agreement, and their new-found willingness to go globe-trotting should be seen as much in the light of this agreement as in the light of any supposed U.S. designs on Peking. Hardly was the ink dry on this agreement than the Soviet-led cries went up, with renewed vigour, for an all-European security conference.

It would thus be a triumph indeed for Moscow's newly launched Westpolitik if it could obtain more than notional support for the holding of such a conference from the West German Chancellor, Herr Brandt, when he goes to Moscow shortly. And it would add to this triumph if this support were reinforced by the heads of State or of Government in France, Canada, Denmark, or Norway, or even perhaps dissident Yugoslavia. All these countries are on the schedules of either Mr. Brezhnev—who has not been in the West since he became Party Leader in 1964—or Mr. Kosygin in the coming months. And in addition have had the blessing of Moscow as would-be participants at a security conference if and when one is to be held. European frontiers, rather than frontiers with China or questions of the Middle East, are Moscow's most immediate preoccupation—or so the wanderers will want to make it seem.

Soviet aid

The less overtly acknowledged preoccupation with what the Chinese are up to will be discussed when President Podgorny arrives in North Vietnam and, almost certainly, when Mr. Kosygin gets to Algiers. In both these places the visiting Russians will be at pains to make it clear that Soviet aid, particularly in the military equipment sector, is still a real force to be reckoned with. But wherever any of the troika goes, each of them will be fully aware that China's influence in at least four of the seven countries to be visited is distinctly on the increase.



Lean days for aircraft builders

Michael Donne, Aerospace Correspondent, looks at the order books of the world's airlines

THE recent announcement of further redundancies at the British Aircraft Corporation's five factories in its Commercial Aircraft Division, stemming from a lack of new orders for the One-Eleven jet airliner and the need to keep Concorde overheads down so as not to price that aeroplane out of world markets, has focused attention once again on a situation of near-depression throughout the world's civil aircraft manufacturing industries.

The lack of orders experienced by BAC has been paralleled, in varying degree, in all civil aircraft manufacturing plants throughout the Western world.

Boeing, the world's biggest jet transport builder, has been particularly badly hit, and over the past three years has cut its labour force from around 100,000 to 37,500 now, a number that will be reduced further to about 34,000 by the end of this year.

Admittedly, several thousands of those redundancies stemmed directly from the U.S. Congress decision to abandon the supersonic transport, but many thousands more have been due to the run-down in the production lines for other transports, notably 707s, 727s and 737s, as orders have been steadily worked through and have not been replaced in anything like the same volume.

Poor business conditions

The manufacturers' difficulties stem entirely from the fact that the airlines are not now ordering airliners at anything like the rate they were in the mid- to late-1960s, when the world air travel boom was on, with passenger traffic rising at an average annual rate of around 16 per cent. From 1969 onwards the rate of traffic growth slackened as economic recession in the U.S., and depressed business conditions in Western Europe—the two great generative areas of air traffic—bit deeply into the airlines' markets.

Always a sensitive barometer, the air transport industry was the first to feel the squeeze on travel imposed by many industrial and business organisations, while labour lay-offs, fears of redundancy and inflation hit the purses of the general public and obliged many people to cut their personal travel plans.

The effect of all this was to bring the rate of passenger traffic growth down from the earlier average of 16 per cent. to an actual 6 per cent. in 1970, and reports suggest that this has hardly improved, if at all, this year.

An annual growth rate of 6 per cent. may not seem too bad at first sight, even although it is substantially down on the rate in earlier years. But what has made this slackening in growth particularly serious for the airlines is that it has coincided with a period in which they have been subjected to an almost runaway inflation, while at the same time they have been introducing the first of the new breed of bigger, "wide-bodied" aeroplanes in the Boeing 747 Jumbo jet, thereby aggravating an already serious over-capacity situation.

Growth of charters

The Jumbo seats up to 362 passengers, or double that of a Boeing 707. The effect of its introduction over the past 18 months—there are now 144 of them in service—has been to flood many routes, and particularly the North Atlantic, with additional seats that the airlines have not been able to fill because of the slacker traffic growth situation.

At the same time, the scheduled airlines have been facing the onslaught of cheap-fare charter competition. The extent to which this charter competition has either diverted traffic from the scheduled airlines or generated new markets of its own is a matter of perennial debate, but the growth of charters has been enough to force the scheduled airlines to retaliate by seeking substantial fares cuts of their own.

All of these factors together have seriously weakened the financial situation of the scheduled airlines, with the result that many of them have lost substantial sums over the past 18 months. Apart from not wanting to burden themselves with further over-capacity problems, they have also refrained from ordering new airliners because they simply have not been able to afford the costs involved—both the purchase costs and the heavy introductory costs of new models, quite apart from the heavy interest payments on borrowed money. In fact, they have been going the other way, and throughout 1970 the pattern was one of airlines, particularly in the U.S., cancelling firm orders, delaying delivery dates and allowing options to expire.

Replacing old equipment

In the U.S. alone in the first six months of 1971 about $1,000m. worth of orders—for Boeing 747s, McDonnell Douglas DC-10s, some TriStars and other jet transports — have been affected in this way. In effect, virtually an unofficial "re-equipment moratorium" has been put into operation by the airlines, not as a result of any collusion, but simply because of economic pressures.

Such orders as have been placed have been in small quantities, from airlines replacing older equipment, or moving up in to the jet field for the first time. There have been none of the spectacular big orders that characterised the air transport industry a few years ago. During the past few months, there have been no new orders at all for the McDonnell Douglas DC-10 or the Lockheed TriStar—the latter because of the financial difficulties surrounding that project.

Boeing has only picked up a few new orders for the 747. McDonnell Douglas has now started to deliver DC-10s, which may well add to U.S. domestic airlines' capacity problems in the next few months. Lockheed is not now due to start delivering TriStars until next April.

Although the airline customers for the TriStar (TWA, Eastern, Delta, Air Canada, for example) could have done without the traumatic experiences of the past few months, they are probably not really too unhappy about the delivery delays, for this gives them a breathing space in which to get their financial affairs back into shape before having to digest a substantial inflow of new equipment. This is especially true of TWA, which has lost money heavily over the past year or so.

Boeing, whose best year was 1965, with 418 jets of various types ordered, logged new orders for only 100 aircraft last year, and expects about the same this year—still a massive figure by any other manufacturer's standards, but not really sufficient to keep its big production lines fully rolling. Thus, there have been labour lay-offs and a rephasing of production on all Boeing's models, including the Jumbo, with production rates reduced to keep the lines active.

By end-July, Boeing's total jet sales to date had reached 2,254, with deliveries at 2,131. Of these, 859 were Boeing 707s, of which 853 had been delivered; 873 were short to medium-haul 727s, with 856 delivered; 315 were Boeing 737 short-haul jets, with 278 delivered; and 207 were Boeing 747s, with 144 delivered.

McDonnell Douglas, too, has been finding the going tough with its short-haul DC-9 (competing with the Boeing 737 and BAC One-Eleven), and at the most recent count had delivered 628 out of total sales of 677 aircraft.

U.S. domestic sales

There are some hopes in the U.S. that if Congress approves President Nixon's plan for an investment tax credit to industry, coupled with the import surcharge on foreign jets, U.S. domestic sales of some types of transports may rise, notably the three-engined short to medium-haul Boeing 727-200, the model upon which Boeing, along with the 747, is pinning its hopes for the rest of this decade.

It does not see many further sales for the 707 in its present form, but it is still looking at new types of airliner between the 747 and 727 in size—a twin-engined high-density air-bus is not ruled out—and is thinking in terms of "stretching" the 747 itself as the decade goes on.

In the tri-jet field, Lockheed has come back into the fight with an "extended-range" TriStar, in a belated bid to catch up on the lead already established by McDonnell Douglas in this field.

European makers

In Europe, where sales have traditionally been on a much smaller scale than in the U.S., the situation is also difficult. BAC, which has delivered 193 of its 206 One-Elevens on firm order, is now building in anticipation, but has still been obliged to trim its labour force.

Sales of the small Dutch Fokker Fellowship jet have been very slow; while in France the Caravelle line is running down. So far there are small numbers of options, but no firm orders for any of the newer jets coming forward—the VFW-614 feeder-liner, the Dassault twin-engined short-haul Mercure, or the bigger twin-engined A-300B airbus itself. The recent sale of six Tridents to China by Hawker Siddeley has been a welcome fillip to that company's Hatfield plant, but the prospect of other sales elsewhere do not seem bright at present.

But the manufacturers, although gloomy about the immediate future, retain high hopes for the longer term. They are convinced that the lean times will eventually pass away, and that the growth rate in world air traffic will quicken again—especially if current low-fare plans come to fruition. They feel, as do the airlines, that the prospects for the later 1970s are good, if only they can hold on long enough.

The big question is, how long? A recent report by the U.S. Commerce Department suggested that an upswing for the commercial aircraft builders was not likely before 1975, although the downward trend for light aircraft ought to be reversed by 1973. Some others are more optimistic, and believe the recovery will follow swiftly in the wake of an improvement in the airlines' own fortunes by about 1973. But that is probably the earliest that it could come.

In the meantime, there can be no doubt that many airlines throughout the world will need new equipment in the years ahead, as existing types grow older and have to be phased out, and as traffic—still growing, although at a much slower rate—builds up on certain routes.

Almost every major European airline, including BEA, is aware that for the mid- to late-1970s it will need new aeroplanes, and it is on these orders (which could be substantial) that the manufacturers of the DC-10, TriStar, A-300B and, less immediately, Boeing too—are pinning their long-term hopes.

In the U.K. alone, Lockheed thinks that there is a market for upwards of 100 TriStars, including a BEA order. But all these U.K. and European airlines like BEA, Air France, Alitalia, Iberia, KLM, Lufthansa, Sabena, Swissair, SAS, as well as the bigger U.K. independents like British Caledonian, are currently in no hurry to buy anything.

Selling the Concorde

In this situation there are two added factors—the manufacturers' desire to get on with plans for the next generation of commercial transports, such as Short Take-Off and Landing (STOL), and the need to sell Concorde.

So far as STOL is concerned, it is clear that it will have to be a major international collaborative venture, for no one company, or single government, can afford it. Nor, as yet, does any government seem anxious to finance such a development, and it is being accepted by all that, while it is an attractive prospect in the long-term, STOL is unlikely in the 1970s, or even early 1980s. Vertical and Short Take-Off aircraft are even further away.

Selling Concorde is a much more immediate problem; and a very worrying one in the airlines' current financial situation. At a price of about $30m. per aeroplane, it is a mammoth investment even to contemplate at this time. Increasingly the opinion is being heard that the U.K. and French Governments, already financing its research, development and production, may well find themselves becoming involved in some kind of major leasing operation with banks and insurance companies at least in order to get sales to BOAC and Air France started.

MEN AND MATTERS

Spar's attack on the multiples

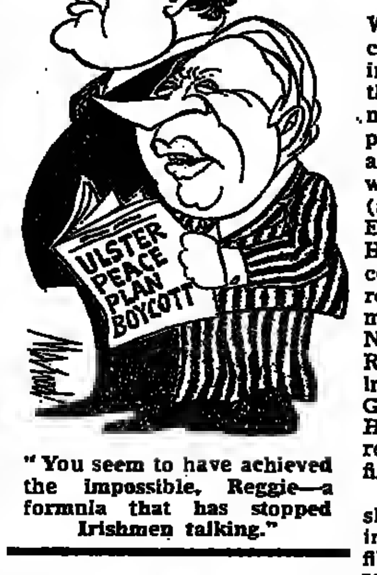
Within six weeks of fracturing his skull in a road accident in Denmark, Mr. Michael Reynolds, managing director of the Spar Vivo voluntary group of grocers, was back at his desk. It was several weeks later than Reynolds would have liked. When a colleague went to see him in hospital, Reynolds demanded that his visitor take off his clothes so that he could leave hospital immediately—Reynolds' own clothes had been confiscated.

The attitude is typical of Reynolds. In the eight years he has been at Spar—he joined from British Home Stores as a trading controller and became joint managing director in 1969—he has built up a reputation as one of the most determined figures in retailing. As one of his competitors says, "he has bullied and shoved Spar into the big league."

Last year, sales were running at just under £200m.—an increase of about £50m. on five years ago. The symbol groups have now boosted their share of total grocery sales to 23.1 per cent.

The degree to which Spar can compete with the multiples is illustrated by its new autumn promotions. Instead of offering the housewives competitions as an incentive to shop at Spar stores, the group is concentrating on a fierce price-cutting campaign — traditionally the weapon of the supermarkets. "The housewife isn't interested in frills any more, she just wants value for money," says Reynolds.

Competitions, Reynolds might also have added, also backfire. Last year Spar ran a promotion which involved housewives collecting pieces of a picture to make a whole. So successful was the promotion in getting the housewives into the shops that Spar had to provide far more prizes than they had budgeted for. The group's forward planning wasn't helped by women getting together outside the shops and swapping pieces.



"You seem to have achieved the impossible, Reggie—a formula that has stopped Irishmen talking."

Aubrey tells them

It was a pity that the rumour going the rounds at the TUC conference yesterday, that Mr. Aubrey Jones, ex-PIB chairman, was off to America to help them run their incomes policy, turned out to be such an exaggeration. Even so, Jones's contact with the Americans is not without interest. As chairman of Laporte Industries, Jones was off to Australia on company business, via America.

Hearing this, Mr. Paul McCracken, chairman of Mr. Nixon's Council of Economic Advisers, asked him if he would drop by for a chat. So the chat was fixed for this Saturday. Aubrey Jones is not likely to sway the course of the American economy in that time—but it would be fascinating to know what he is going to tell McCracken.

The sound of BET

When Mr. Paul Adorian, chairman of Humphries Holdings, reported last month on the state of the company, it made dismal reading. Pre-tax profits had halved between 1969 and 1970, and for 1971 there was a loss as big as 1970's profit (about £350,000). What British Electric Traction, parent of Humphries with over 70 per cent. of the shares has done to rectify this is to appoint a new managing director, Mr. John Nutman. Nutman, an ex-Rolls Royce engineer turned marketing man (Smith and Nephew, Gala cosmetics), now faces Humphries' basic problem—its reliance, until recently, on the film industry.

Humphries has film processing laboratories, sound recording studios, and lighting and film equipment rental (through Mole Richardson). The fall-off in U.S. finance for filming in Europe hit some of these activities hard. What Nutman has to do now is to get the best out of diversification measures already set in train to lessen Humphries' reliance on the film industry.

One of the biggest of these is a £1m. sound recording complex at Wembley (right next door to Wembley Stadium, which BET also owns). Humphries has also gone into stage engineering (lighting, revolving stage, hydraulics, fire-proofing, and so on) and is doing the National Theatre.

Nutman is also after television studio equipment contracts in South Africa, which is about to start up a TV service. "We estimate that there will be £15m. to £20m.-worth of orders going there," he says. Nutman also foresees that with its sound recording expertise "Humphries—may have to do a MAMs," going into direct management of singing stars.

Better credit for the Irish

Limitless though the troubles of Northern Ireland appear at the moment, there is one area in which things have rarely been so good. The money market has just awarded Northern Ireland a credit standing for its Treasury bills equal to that of the U.K. Treasury itself.

Only in July Northern Ireland 3-month bills carried a rate of discount of about ⅛ per cent. greater than Whitehall's. Now the gap has virtually disappeared. Ulster bills have been issued this week at 4.9201 per cent., and to two places of decimals that is the same as U.K. bills.

The reason is not far to seek. Northern Ireland is feeling the first effects of the move towards greater competition in the banking field—plans for which are to be published later this week.

Already, the Discount houses have ceased to bid for Northern Ireland bills as a syndicate, though they are still bidding for U.K. bills as a syndicate. In other words, there is now competitive bidding for Northern Ireland bills, and this helped to give the Northern Ireland bills such a favourable price.

Observer

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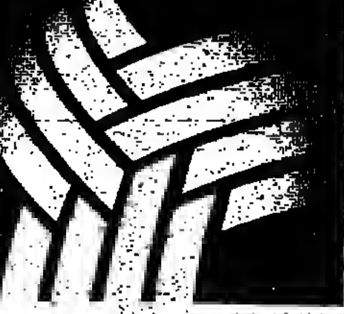

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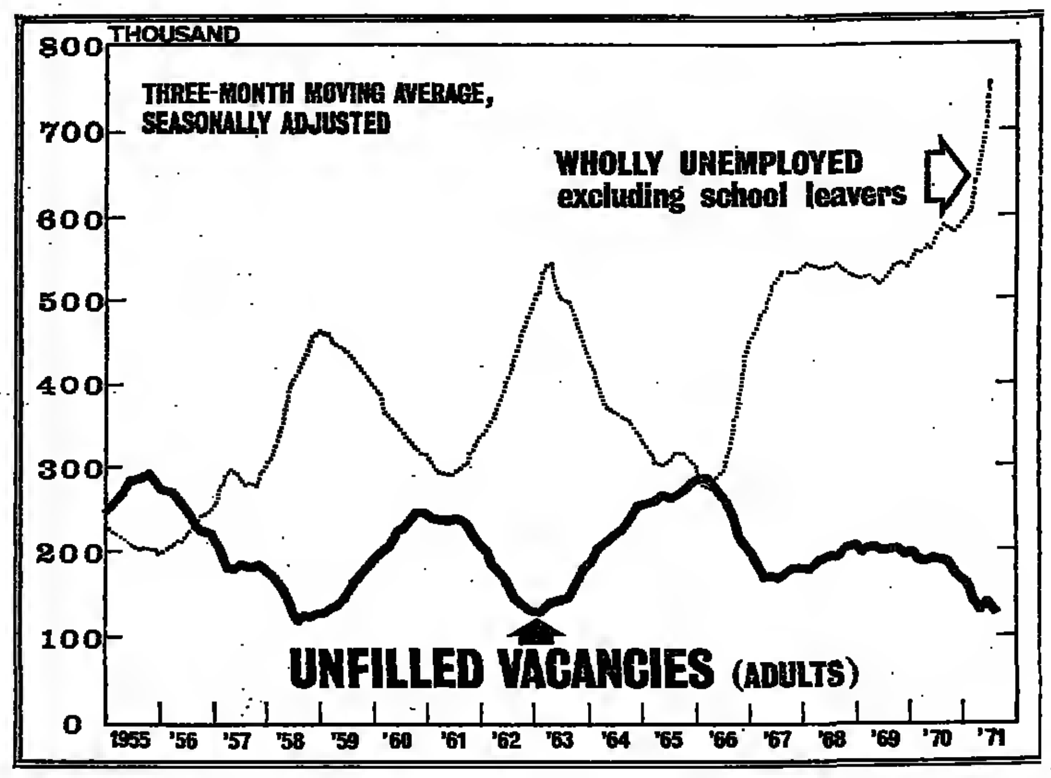
ECONOMIC VIEWPOINT

GAUGING THE LABOUR MARKET

Unemployment can mislead

BY SAMUEL BRITTAN



SOONER OR LATER people will begin to turn their attention from the currency situation —which, perhapa fortunately, shows no early sign of being resolved — to the domestic economy. Indeed, the efficient management of their home economies may well be the best contrihution that all governments can make towards a more harmonious international monetary system.

It is quite impossible to discuss economic policy or tha state of the economy without somo general overall indicator. The glohal unemployment percentage has in tho past been regarded, for very good reasons, as the best indicator of tha current state of the domestic oconomy. It is the index which economists have been accustomed to looking at first to discover whether tha economy is overheatod, in a slack condition, or in a healthy in-betwoon situation.

Quick guide

The movement of unemployment has also been used as an aid to understanding certain somewhat longer-term quostions. An increase in output of 4½ per cent. per annum is in itself neither slow nor fast. Bnt if one ohserves that, after allowing for time lags, it is associated with a falling rate of unemployment, it is reasonablo to infer that it ia faster than the underlying growth of productiva capacity, and that sooner or later thero is bound to he a slow-down, perhaps preceded by a paymonts crisis.

The labour market is, moreover, a hetter quick guide than almost any othor indicator. Industrial prodnction figures arrivo later; their movement from month to month is more erratic and, even if a trend can be discerned, its meaning is far from clear. What we really need to know is not just tho movement of output itself but the variation in the amount of excess capacity—and this is a difficult concept to formulate, let alono measure. Moreover, if we are interested in inflationary pressures from the demand side, the labour market is the most directly relevant indicator.

Nevertholess, I have coma on roflection to helieve that tho use of global unemployment percentages in this way dooa more harm than good. This conclusion has been prompted partly by a papor by Lord Robbins on "Full Employment as an Objective" in his latest volume "Money, Trado and International Relations." Lord Robbins remarks that such figures confuse, in one statistical total, transitional unemploymont botwoon johs with the social ovils of long-lasting unemployment. The first kind may simply lnvolve people moving from job to job after a few weeks and is a sign of industrial mohility. Tho second kind, which may involve family men waiting for months with littlo prospoct of securing employment, is a human tragedy.

This distinction hes a strong regional flavour. Unemployment in tho Midlands and tho South-East has usually heen of thie transitional varioty, and it has ofton co-existed with a tight lahour market in which omployers have found it difficult to find tho workors thoy want. On the othor hand, in areas such as Scotland and the North-East, unomployment has much moro frequently beon of tho evil, longor-lasting variety. Because of the co-existence of different types of unemployment and the misleading nature of the overall percentage, its use in ecooomic discussion is bound to cause misundorstanding.

Let us assume thet a situation exists where responsible ecooomists believe that the pressure of demand in tho economy is too high. This could be, for instance, bocause of domostic overheating or the neod to shift resources from home to export markets, or because it is tbe only way of preventing a runaway wage-push inflation.

Ivory tower

If, howevor, anyona is frank enough to say that tho statistical unemployment percentage is too low, or should not be allowed to move lower, this is immediately misuoderstood as a calloue demand by desiccated men in ivory towers for the enforced idleness of more of their follows. It ia qnito impracticable to explaio in every Ministerial briefing and every newspaper article that the unemployment figures are merely being used as an indicator of labour market conditions and that tho absolute numbere are misleading. Those oconomists who believo that thero is some balanco of tho labour market, heyond which it ie dangarous—and perhaps impossible—to go in the longer run, cannot explain each timo they use thia concept that they would be delighted if this balance could be achieved with fower people actually out of work.

Tho result is that tho oconomic specialists, and tho ordinary citizen and politician, use the unemploymont figures in two ontirely different ways. The ordinary citizen who dislikes enforced idleness is not taking sides ln the argument hetweon economists about tho pressure at wblch the economy onght to he, or can be, run. But owing to the confuslon of language it looks as if he is; and the argument is thorefore prejudiced in favour of thnse who wish to run the economy at very high pressure; and if it transpires that this pressuro can be kopt up ooly at tho expense of accelerating inflation, the resulting frustrations and disappointments become a threat to the working of domocracy itself.

There is a limit to one's willingness to eppear as a hard-hearted scoundrel; and it is not in the public interest that whole schools of economic thought should bo dismissod through misunderstanding or misrepresentation. Moreover, there is no need for tho dialoguo of tho deaf to persist. For there oxists a more acceptahle alternative way of diacussing tho global movement of the labour market; and that is by means of unfilled vecancies.

They are, of course, by no moans a porfect indicator. But as tho dlagram shows, tho picture they give is less open to misunderstanding. It does not tako specialist training to realiso that the number of unrogistored unfilled vacancioe can be too high as well as too low. An excessively large number of vacancios can meao labour sbortagos and demaod inflation. While the iostinctive reaction of tbe goneral public is to regard zero as the optimum unemployment perceotago, there is no sucb misleading target for unfilled vacancios.

The sbift of omphasis towards unfilled vacancies is much moro than a public relations operation, necessary though the latter is. It so happens that the trond of unfilled vacenclos givos a better gulde to the stete of the labour market. As can be seen from the diagram it often signals an economic turning point a little earlier than does the unemploymeot trend; and it bas rarely given e false signal.

More important, a see-change took place in the meaning of the uoemployment figures as a labour market indicator in the middle and later 1960s. From then onwards a given unemploymeot percentage became associated with a tigbtness in the labour market—whether measured by industrialists' reports, overtime working or unfilled vacancies themselves—wbich previously required an uoemployment percontage over half a per cent. lower to achieve. Thus tho 2.3 per cent. average of wholly uoemployed which prevailed uoder Mr. Jenkins in 1968-69 was equivalent to 1½-2 per ceot. a few years before. Similarly, the 3-3½ per cent. which bas prevailed this year wonld be equivalent to not much more than 2½ per cent. in an earlier period.

This sbift in the meaning of the uoemployment figures is partly duo to rodundancy paymonts aod bigbor unemplnyment heoefits, whicb give peoplo more time to look for jobs and make it less urgent for them tn tako whatever comes up. If so, this is a cloar examplo of a social gaio which is made to look like a loss because of fixation with the unemployment percentage.

It can ho soon from tho diegram that unfillod vacancies have heen subject to much smaller distortions. They rose to peaks in 1955, 1960-61 and in 1965-66, whon most reasonable observors agreed that tho economy was working under a very heavy pressure nf demand. In the post-devaluation period of 1968-69 and early 1970, the unfillod vacancies suggestod a labour market not vory differont from the post-war average, wbile the unemployment figures iodicated sovere recession conditions which were in no way confirmod by grass-roots Industrial evidence. The unfilled vacancy figures also suggest that 1958, 1962-63 and 1971 recessions were of comparable magnitude. This agaio seoms plausible, despite the tendoncy of Industrialiats always to regard tba recession they are curreotly in as the worst sioce the war.

Clearly tho unfilled vacancy figures have meaning only in a givoo historical situation, and in a particular cootext of hiring and firing practices. Moreovor, one dnes not quite know bow good an indicator the series would prove under really sovero recossion cnoditioos. Tho fact that it cannot fall lower than nought would mako it unreliablo io a depression; but on balance it ls still tho host availablo indicetor for tho sorts of variation in the labour market that we havo actually seen.

Snmo may wnnder why the two indices cannot be put together, and unfilled vacancies subtracted from the number of unemployod to give an idea of the net position. Unfortunately, characteristics of the unemploymeot figures already discussed, such as tho existence of peoplo changing jobs, not to speak nf the "unemployables," make this a misleading procedure. It can be seen from the diagram thet the only recent occasion on which the number of unemployed was approximately equal to the number nf unfilled vacancies was in early 1966, just before Mr. Wilsoo's crisis moasures.

A sbift towards using unfilled vecancies as a general economic indicator could help with tho diagnosis and treatmont of unemployment itself. Fnr there are two sets of influences that affect unemployment. There is the general state of the labour market; and tbere are also structural factors sucb as tho regional balaoce, tho matcbing of training to job opportunities, tho efficiency of the labour markot, as woll as the use of trade union monopoly power.

Although structural factors do not chango quickly, they can certainly be infiuencod by publi[c] policy, and in the long run a[n] attack oo this front may pro[-]vide a mucb more promisin[g] method of treatment. The us[e] nf labnur market indicator[s] nther than unemplnyment itsel[f] can belp to clarify the distin[c]tion between these two sets o[f] influences—the structural on[e] and the general state nf deman[d].

When discussing the genera[l] movement of the domosti[c] econnmy and the pressureo o[n] the labour market I sball i[n] future use unfilled vacancies a[s] my main indicetor; and this i[s] a course whicb I wnuld rocoo[m]mend tn others. There are o[f] course no rules without excep[-]tinns; and there may be time[s] wben the unemplnymont figure[s] may be the only ones evailabl[e] for a particular cnuotry o[r] period; or there might b[e] extreme occasions, when on[e] would went to omphasise th[e] cnntributinn of misguide[d] overall oconomic policy to th[e] unomplnyment problem. Bu[t] for most discussions of deman[d] management, fiscal monotar[y] and incomes policy, it would b[e] best to concentrate on the les[s] misleading indicator of unfillo[d] vacancies.

Labour News

Call to end Swan Hunter strike defied

BY ALEX HENDRY, LABOUR REPORTER

SHIPYARD stewards yesterday defied a union instruction to ond tha unofficial striko at Swan Hunter's Noptune yard that is holding up work on a £12m. passenger linor.

The strike began when fivo mon were sent home on Monday for refusing to transfer from the Neptune yard to Wallsend yard unless thay wore paid a travelling allowance.

More than 850 workers—including 575 boilermakers—are on strike. The boilermakers' stewards yesterday met Mr. Jack Oliver, the nnion's district delegate, but refused to call off tho strike. Tho strikers have decided not to meet again until Monday.

A meoting between tho management and the Confoderation of Shipbuilding and Engineering Unions' district officials may take place tomorrow to discuss the dispute. Mr. Don Edwards, CSEU district socretary, has requested the meeting.

He said yesterday: "This dispute bas been through the procodure to national lovel and there was a failure to agree. The company is adamant that it will not pay travelling time and therefore we are entitled to take action nn a jnstified claim."

Mr. Edwards added: "It is a lockout. There is no agreement that the men will transfer betweon tha two yards without travelling time being paid. It is paid for transfers between other yards in the Swan Hunter consortium. We are looking for some consistency in company policy."

He went on: "The men claim they were told last December that they would be paid travelling tima. This is why they are so incensed. Until now they have been very poaceful."

Lucas workers expected back on Monday

BY PETER CARTWRIGHT, MIDLANDS CORRESPONDENT

BIRMINGHAM, Sept. 8.

THE NINE LUCAS electrical component factories in Birmingham closed for nearly three weeks by a holiday pay strike are expected to resume normal working from Monday, just in time to avert serious production problems in the motor industry through supply shortages.

British Leyland has already stockpiled Maxis and Marinas without windscreen-wiper motors. Other manufacturers, including Ford, have re-scheduled commercial vehiclo assembly programmes.

Improved offer

The strike by 300 maintenance engioeers and associated workers led to 13,000 other Lucas workers being laid off. After top-level talks between management and the Amalgamated Union of Engineering Workers in Blackpool on Tuesday tha national executive acceptad an improved offer and instructed its members—all hut 50 of the 300—to return.

The decision was endorsed by the district committee on Tuesday and ia expected to be accepted by the strikers when they meet to-day. It is hoped that essential workors will return on Sunday to prepare tho factories for normal working on Monday.

British Leyland is laying off more than 7,000 workers at two plants. Starting to-day Triumph is standing down 4,300 assemhly and machine-shop workers following a walk-out on Tuesday of 400 engine-assemblers over a long-standing piecework dispute.

A company offer has been rejected and also an alternative method of payment that would enable production to continue whilo piecework rates were further discussed. Mr. Bill Davis, chairman, warned workers in tha works newspaper that they were "in danger of committing industrial suicide."

Prodnction of the whole ranga of sports cars and saloons has been halted and tha remaining nearly 5,000 other workers may have to be laid off next week if tha strike continues. The Livarpool plant, where Toledos are mada, is also likely to be affected by lack of engines.

At the Austin-Morris plant at Birmingham 3,000 workers will be idle because two ovartime bans in support of pay claims caused a shortaga of engines. Production of Minis will be cut by night and day shifts to-day and to-morrow. There will be no day shift on 1100-1300 lines to-morrow.

A fixed price contract worth nearly £2m. for the supply of propeller shafts for U.S. Army vehicles is jeopardised by an official strike of all 500 workers at Moss Gear, Birmingham, a subsidiary of the Moss Engineering group, a major supplier of prop shafts, drive and trailer axles and spiral hevel gears to earth-moving equipment and commercial vehicle-makers.

The strikers, mainly members of the AUEW, demand an extra £8 a week and have heen out since Monday. Tho claim has been through tha negotiating procedure without agreement being reached.

Earnings up 25%

A company spokesman said production earnings had risen by an average of 25 per cent., certain sections gaining up to 70 per cent. with higher productivity. "We have made an offer to bring non-production workers more into line with the higher earnings of the production workers, but the demand is for an across-the-board increase," he explained.

More labour news page 13

Yorkshire potash prospecting halted

BY DAVID WALKER

RIO TINTO-ZINC is suspending exploratory work in connection with its proposed potash mining operations in North-East Yorkshire. Tho decision, announced yesterday, means that both schemes in the area givon Government sanction in May last year are now at a standstill.

The socond project originally plannod, formerly a joint venture by tha U.S. concern, Armour, and Shell, from which Armour pulled out last summer, has seen little movement since May 1970.

RT-Z's docision comes agalnst the background of a world glut of potash, following heavy iovestment in its production ln Canada.

The only Yorkshire scheme still going ahead is that by Imperial Chemical Industries and Charter Consolldatod, whose Clovoland Potash joint subsidiary is scheduled to start producing commercial quantities early in 1973 after investmonts of £25m.

Shell yesterday described its project as "sitting on ice for tho moment" because of "very considerable" changoa in the world potash market ainco the Government go-ahead was given.

Tho glut meant thore was "no prospect of selling the potash we would make," the company stated.

RT-Z yesterday also attributed world market conditions and trends as being behind its move. At tho samo time, it stated, further axploration work had shown a geoligically more complex orebody structure than indicatod by lnitial drillings.

The decision would be re-examined when more favourable market cooditions prevailed.

"The complox geology made more prolonged exploration necessary than was at first thought," RT-Z explained. "Thero is still more exploration to he dono, but market conditions are such that wo are not doing it at the mnmont, but are kooping the situation under review."

To deto, the company disclosed, it had epent more than £1m. on preliminary work, geological exploration and economic and environmental studies.

When tba Government decision to allow mining was announced 18 months ago, it was estimated that U.K. potash outpnt could roach 2½m. tons a year by the middle of the decade for an overall investment of around £75m.

Imports to Britain had been running at a rate of around 700,000 tons annually—or £10m.—and prospects were held out of considerable balance of payments aavings. Even then, however, it was clear that the success of the schemes was dopendent the finding of suitable export markets, and it was already recognised that there was a worldwide over-capacity.

Now, Cleveland Potash expects to sell some 80 per cent. of its evontual production within the U.K., with ICI taking almost a third of tho mine's ontpnt itsolf.

New deadline for TriStar contract

BY MICHAEL DONNE

THE U.K. Government bas agreed to extend to September 22 the deadline for the completion of tho cootractuel arrangements covering the future of the Lockheed TriStar airliner and the Rolls-Royce RB-211 engine. The deadlina, already extended twice from August 8, was due to expire yesterday.

A statement from the Departmeot of Trade and Industry sald that tha U.S. Governmeot had notified the U.K. Government that the Emergency Loan Guarantee Bnard (set up in the U.S. to implemeot the Congressionally-approved $240m. loan guaranteo for the TriStar) had not been able to complete its review of the situation by September 8.

But a final decisioo on tha whole affair is expected to be reached soon and it ls believed that all the necessary signatures on contracts hetween Lockheed, its banks, customer airlines and Rolls-Royce (1971) will be echieved hofore September 22.

Tbis will enable tho Loan Guarantee Board to pnt the final seal on the $240m. loan guarantea, clearing the way for the TriStar to get the additinnal funding lt noeds from its hanks in the U.S.

In the moantime, lt was reported yesterday from Derby—where the RB-211 is being built—tbat the engino development and production programmo is going well.

Mr. Hank Dees, tha Lockheed chief test pilot, who piloted the TriStar on its maiden flight last November, and who is visiting Derby said: "We have not found any problams. The aeroplane has been performing as expected, or better".

The TriStar was "the quietest aircraft" he bad ever flown "and also tho quietest I havo beard flying from the outside." Ha thought the engine had "a vary long lifa" ahead of it.

Meeting

The Emergency Loan Guarantee Board—which comprises Mr. John Connally, Secretary of the Treasury; Dr. Arthur Burns, chairman of the Federal Reserve; and Mr. William Casey, cheirman of the Securities and Exchange Commission—is due to heve another meeting in Washington this afternoon, to review progress in the Lockheed situation.

It is expected tbat this meoting will be brief and that a further meeting will have to he called some time next week.

Lean days Page 18

Missile radome order for BAC

BRITISH AIRCRAFT CORPORATION has received a contract from Electroniquo Marcel Dassault of France for the production of radomos for the Anglo-French Martel air-to-surface missilo.

Man-made fibres: new fall

BY JOHN TRAFFORD

FOR THE second month running, production of men-mado fibres has fallen below the 1970 lovel. Figures published to-day by tha British Man-Made Fibros Fedoration show total output lo July al 113.7m. lb compared with 115.1m. lb last year. The 1971 figure for June was 108.9m. lb as against 113.0m. lb a year ago.

Despite the tailing-off, output in the first seven months wes up 17.4m. lb et 798.2m. lb. Thore seems little doubt that production for tho full year will again be a record.

The trend towards an increasing proportion of continuous filement yarn and a lower proportion of staple fibres, first apparent at tha beginning of the year, has continued.

Freight rates to India up

BY JAMES McDONALD, SHIPPING CORRESPONDENT

SHIPPING LINES witbin the easthouod conforences from tbe U.K. or the Continent to India, Pakistan or Ceylon have informed custom0rs that, because of tho effective devaluation nf the U.S. dollar—on which retes are based—a curreocy adjustmont factor of 5.5 per cent. from Continootal ports and of 2.5 per cent. from U.K. ports has hee[n] imposed as from yesterday.

"Thereafter, freights pald i[n] Europe will be based on th[e] highest bank solling rato on th[e] dates applicable in accordanc[e] witb tbe tariff rules."

"The positioo in respect of th[e] westbound trades remains unde[r] activo cooslderatloo."

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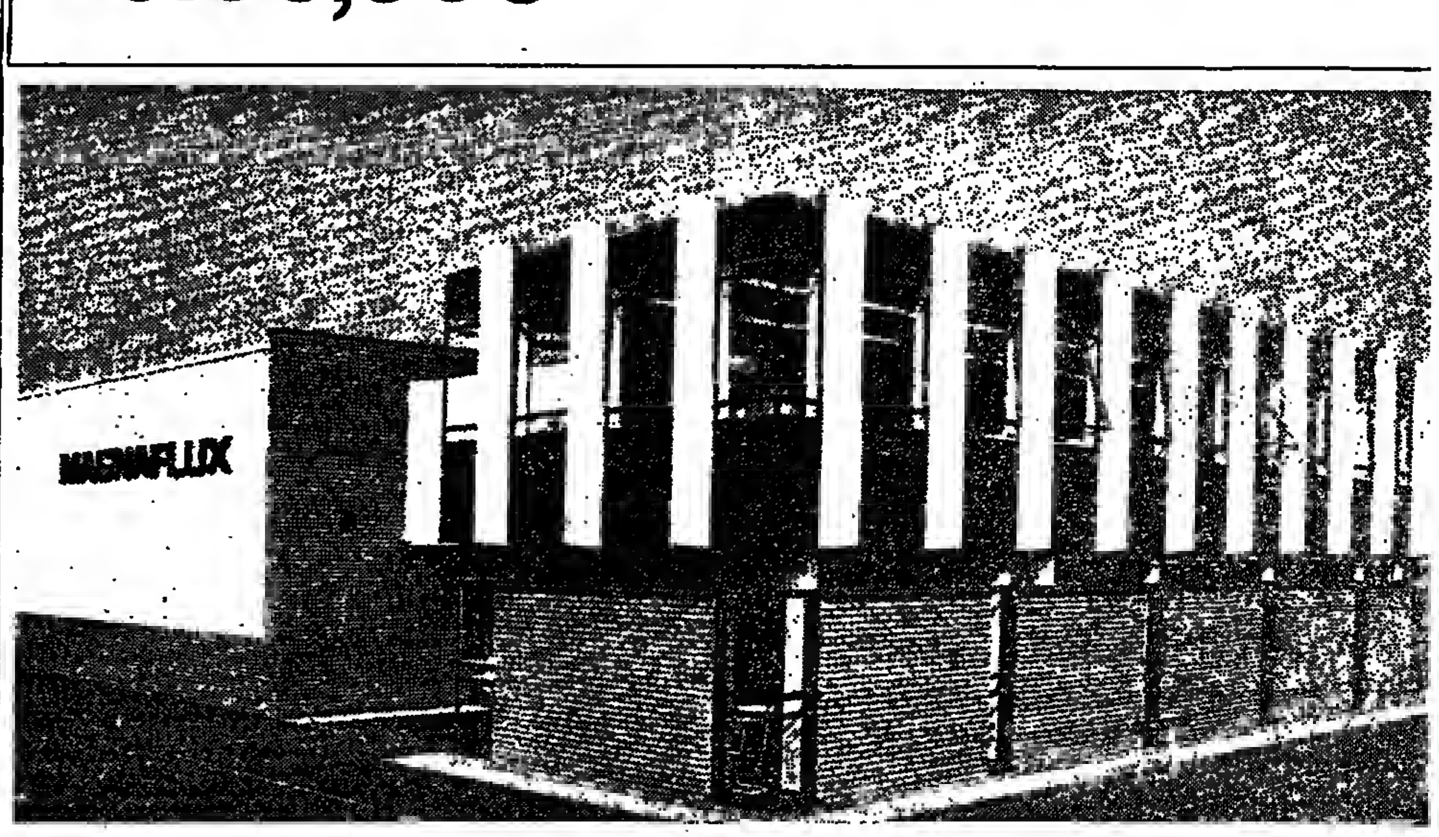

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COMPANY NEWS + COMMENT

Steetley's first half profit expansion

FIRST HALF pre-tax profit of Tha Steetley Company increased from £2,668,000 to £3,325,000. While expecting the year's figure to be up on the £6,177,000 for 1970, the second half profit may well be lower than that of the first, aays Mr. N. M. Peech, chairman.

The increase in sales—£31,237,000, against £16,286,000—and surplus before tax in the first half reflects mainly the inclusion of Berk activities but also better company trading.

Of the increase in profit of £657,000 approximately £400,000 arises from the inclusion of Berk and the savings in overbeads achieved on integration.

The results were in line with budget despite difficult conditiona in the U.K. and in particular, ateel production fell by 11 per cent. The steel industry is still an important customer and the fall in production is greater than forecast.

That profits have still advanced despite such a setback, demonstrates the extent of successful diversification, the chairman adds.

Minerel extraction and processing activities including sand and gravel and ready-mixed concrete did well. Although conditions were difficult in chemicals, profits showed little cbange The high-temperature ceremics results were poor, but Canada made a greater centribution.

As already ennounced 1971 is e year of consolldation and study of the opportunitiea presented by the acquiaition of Berk, the full benefits of which will be felt progressively over the next tbree to four years. Sale of Berk's 50 per cent. share in St. Albans Sand and Gravel companies and BCA Pharmaceuticals—reduced the trading surplus by £200,000 compared with the second half of 1970 but bank Interest was appropriately reduced.

The effects of the Chsncellor's measuree taken to revive business confidence and stimulate the economy in the U.K. bave yet to show tangible resulta in the group's business. Difficult conditions are persisting in cbemicals and ceramics in the third quarter.

	First half 1971 £000	1970 £000	2nd half 1970 £000
External sales	31,237	16,286	31,258
Trading surplus	4,974	3,576	5,286
Depreciation	1,228	869	1,348
Interest payable*	421	39	529
Profit before tax	3,325	2,668	3,509
Taxation	1,396	1,125	1,513
Minorities	64	29	121
Attributable	1,865	1,514	1,875

* Less investment income.

Berk results are included for second half 1970 and first half 1971. The 1970 figures have been sdjusted for the reduction in U.K. corporation tax and include associated companies in tha 1970 annual accounts.

An unchanged interim dividend of 2p per 25p share is declared. The 1970 total was 5.25p.

● comment

Despita its recent diversification, Steetley is by no means able to shrug off a steel recession, and the big fall in steel production which began around last March, and has continued longer than many expected, has left its mark on the group's earnings. The forecast implies that the second balf may produce only around £3m. pre-tax against £3.5m. last time. This could be a cautious figure, but it was enough to knock 16p off the share price last night at 177p, with a prospective p/e of perbaps 17. However, the building materials operations are doing well, and in the past Steetley bas recovered fairly quickly from its setbacks; with several important capital nrojects coming on streem and with economic improvement widely forecast, next year could bring a much better result.

INDEX TO COMPANY HIGHLIGHTS

Setback for Fox's Biscuits

PRE-TAX profit of Fox's Biscuits fell from £149,358 to £63,575 in the year to May 31, 1971, after being £71,364 down to £73,958 at balf-way.

The dividend is cut from 15 per cent. to 10 per cent. with a 5 per cent. final.

Tax was £8,423 (£74,000) after creditiog £17,577 (nil) over-provided and net profit came out at £55,152, against £75,358 for 1969-70.

Directors say the short term forward position will continue to be difficult, but that additional action to be taken ahould bring improved results.

● comment

A 57 per cent. profits fall at Fox's Biscuits is the culmination of a downward trend that started towards the end of 1969-70. Sales volume last year was almost static with a 12 per cent. rise in turnover (to £4.4m.) largely reflecting higher prices. The company's difficulties have not been eased by rising raw material costs, given the way wheat prices have stayed high in the U.K., the postal strika (wbicb delayed debt collection and resulted in heavier borrowings) end electricity cuts whicb st times disrupted production. No immediate turnround le expected for though current sales are running abead of tha 1970-71 level, margins continue to narrow. Any recovery hopes are now pinned on attempts to adjust to supplying biscuits to masa outlets in the North of England, and a fully taxed p/e of 11.3 at 35½p appears to bank beavily on this.

Cedar tops forecast: scrip issue

A FINAL dividend of 10 per cent. by Cedar Holdings, against a forecast of 9 per cent., makes a total of 15 per cent. for the year to June 30, 1971. The company—bankers, mortgage and finance agents and brokars—was made public last January.

Scrip issues on the basis of one-for-ten, and one-for-eigbty partly paid ehares, are proposed, and the directora forecast not less than 15 per cent. for the current year on the enlarged capital A total of 15 per cent. on the present capital was foreshadowed in the offer for sale.

Profit before tax of £350,000 (£195,000) increased to £900,100 (£450,422) reflecting e higber level of business than anticipated in the forecast of £725,000 made in January. And an increase in profit is expected for the current year over the forecast of £950,000.

Gross income was £2,197,442 (£1,393,396), and the balance-sheet total £18,438,228 (£11,266,932).

● comment

After beating its prospectus forecast by 24 per cent. pre-tax Cedar Holdinge now looks set to leave the 1971-72 projection well behind, thus apparently justifying the 57 per cent. rise in tha share price to 102p since the January offer. The medium term position looks rosy enougb since with the lower cost of money and advances up over e balf to £14m. at the year end the repayments pattern sbould ensure steady profits growth over the next few years. However, tha Crowther Report and subsequent credit control measures raise longer term doubts about the second mortgage business in face of increasing bank competition. But since many loans are for five years or more Cedar may be operating in a sector whicb the banks are unwilling to invada. In any event that is what tha market is expecting with a prospective 1971-72 p/e of nearly 22.

Growth at B & I Nathan

DIRECTORS of B. and I. Nathan, furniture manufacturers, are lifting the interim dividend by 3 per cent. to 8 per cent. on a pre-tax profit of £88,000 for the 28 weeks ended July 9, 1971.

At this stage last year, the company sbowed £52,000 pre-tax, and went on to produce £126,581 for the full year, paying dividends totalling 15 per cent.

Chairman Mr. Jerrold Nathan aays current trading indicates that tha remainder of the year will be "no less profitable" and the Board confidently expects continued progress.

He reports that, as forecast in his annual review in April, turnover, order intake and outstanding orders show substantial increases. The increase in production is mainly due to the benefit of investment in plant, while the rise in sales has resulted from the success of the 1971 range coupled with the growing effect of specially built in-store displays.

"As far as the future goes, we are still seeking ways of increassing our output whether by capital investment or acquisition, and I am confident our growth will continue." Mr. Nethan sdds.

● comment

Following its recovery last year, B. and I. Nathan has continued to surge forward in 1971 with first-balf profite up 69 per cent. pre-tax which keeps the group firmly in line with the current upward trend revealed by other furniture companies recently. With demand at a high level throughout the first six months, Nathan bas been able to take full advantage of the benefits from its extensive canital investment nrogramme which started in 1967. There bas so far been no sign of any elackening in demand and tha group has in fact found it necessary to subcontract other companies to manufacture furniture to Nathan's specifications. It seema reasonable therefore to expect annnal profits of at least £180,000 which puts tha ahares at 67p on a prospective p/e of 7.3 wbere they seem fairly attractive.

Chairman's Statement Page 22

City of London Brewery Trust

The directors of the City of London Brewery and Investment Trust are confident that revenue for the current year will be at least maintained and are "reasonably bopeful" of increasing the dividend.

As reported on August 26 group pre-tax profit for the year to June 30, 1971, was £1,266,871 (£1,217,862) and the dividend 15 (14) per cent.

Year-end quoted investments—at market value—were £31.21m. (£24.07m.). Excess over book valua was £18.63m. (£12.09m.). Total assets, less current liabilities, amounted to £31.59m. (£24.52m.), and net asset valua per 25p Deferred unit waa 117p (87p).

Investments are mainly within tbe U.K., Britisb Commonwealth and South Africa. Less than 1 per cent. in valne of the portfolio is in the U.S.

The 20 largest boldings total (et market value) £10.48m. or 34 per cent. of the portfolio. They include Allied Breweries £2.75m. and Bass Charrington £1.41m.

Meeting, 3, London Well Buildings, E.C., September 30, at 2.30 p.m.

Writ against Crystalate

Intel Connectors and Mr. Bennie Linden, cbairman of Lind-Air Group, bave issued a writ for damages against Crystalate (Holdings) in connection with the alleged withdrawal by Crystalate from an electronic connectors consortium negotiated in June.

The writ alleges wrongful repudiation of a contract mada on June 14, wrongful use of information given in confidence, and unlawful detention of documents containing such information, or part of it.

The plaintiffs are seeking an injunction restraining Crystalate from using or disclosing for any purpose wbatsoever any of the confidential information and from dealing with any of the plaintiffs' customers, suppliers, stockists or manufacturers in relation to goods which are the subject of the information.

Intel and Mr. Linden are also seeking the return from Crystalate of copies, etc., of tha confidential information.

The deal which is now tha aubject of the writ was announced on June 21 and provided for Crystalate to take a 25½ per cent. stake in Intel, a subsidiary of Lind-Air, wbich markets electrical and electronic components. The marketing operations of Intel were to have been taken over by Peter Bowtborpe and Associates, tha company injected into Crystalate by Mr. Peter Bowtborpe earlier this year. Mr. Bowtborpe is now cbairman of Crystalate. Breakdown of the deal was announced on June 25.

A D Intnl. halfway advance

ON A TURNOVER up 16 per cent. to £8,566,000, group pre-tax profit of A D International expanded from an adjusted £495,000 to £550,000 for the balf year to June 30, 1971. The 1970 year's figure waa £1,041,000.

Trading profit for tha balf year was £667,000 (£617,000)—U.K. £388,000 (£387,000) and overseas £279,000 (£230,000). The capital of Keith Wilson and Keith Wilson Engineering Services was acquired in March, 1971 and their profits up to June 30 are included in the U.K. trading profit.

The U.K. trading profit was maintained in spite of increasing inflationary pressure while that of overaese has recovered from the drop experienced in the first balf of 1970 by 21 per cent. and is 6 per cent. above the first half of 1969.

Of the 7½ per cent. £1,568,109 Convertible Unsecured Loan Stock 1988/93, £532,674 was converted into 532,674 Ordinary Shares of 25p each, with effect from July 12, increasing the Ordinary capital to 8,348,216 abares.

The interim dividend is usually declared in November. Last year it was 6½ per cent. and was followed by a final of 11½ per cent The company manufactures dental apparatus.

	Half-year June 30 1971 £000	*1970 £000	Year 1970 £000
Turnover	8,566	7,358	15,843
Trading profit	667	617	1,283
Investment income	2	7	18
Interest charges	119	129	260
Profit before tax	550	495	1,041
Taxation†	241	225	448
Net profit	309	270	593
Minorities	10	11	15
Attributable	299	259	578

* Results for 1970 half-year adjusted to reflect average U.K. corporation tax rate for the year 1970 of 40.833 per cent. and the end of year change made in basis of accounting for treatment of research and development expenditure. † U.K. tax £194,000 (£189,000 and £356,000) less double tax relief £72,000 (£69,000 and £171,000). Overseas £119,000 (£105,000 and £263,000).

● comment

With half-time profits some 11 per cent. to the good A. D. International bas apparently suffered no ill effects from the increases in dental charges. On the contrary, a build-up prior to the increases on April 1 resulted in an upturn in sales in tha U.K. although rising costs here bave meant a sligbt drop in oversll margins. Whether this sales trend means that the worst is still to come remains to be seen. But AD does bave substantial overseae interests so the blow, if it materialises, will be cushioned to a certain extent. For the time being e fully diluted historic p/e of roughly 12½ at 59p seems reasonable.

Hill and Smith upsurge

CHAIRMAN of Hill and Smith, Mr. T. Hampson Silk, sees no reason to change the earlier forecast of pre-tax profits of £150,000, after payment of interest, for the year to September 30, 1971.

An increased interim dividend of 6 per cent. (5 per cent.) is declared. Previous total was 16½ per cent., paid on pre-tax profits of £128,947 (which included 16 months trading profit contribution of £21,833 from Criterion Stampings).

For the eix months to March 31, 1971. the pre-tax figure is virtually doubled from £43,786 to £86,160, and the chairman expects second-half results "to be in line with those achieved in the first half."

Referring to the increased dividend, he says this is in accordance with stated policy of reflecting improved profits in increased dividends but ehould not be takeo as an automatic sign of further increase in the final dividend.

Directors and their families have again waived their dividend on 576,090 ehares.

The group trades as iron and steel fabricators.

● comment

Hill and Smith has almost managed to double first half pre-tax profits but the ebares, down 1p at 93p, have epparently failed to recognise the achievement. While it is fair to point out that the abares have risen by over 20p during the past month or so, yesterday's movement still seems unjust. Growth bas mostly been attributable to the fabricated side while both the steel stockholding and drop forging divisions have done well in difficult markets. During the second half, with the new plant becoming operational, production on the motorway safety barrier will start and by 1971-72 the full impact on nrofits will be felt. Meantime, despite the drop forging activities experiencing a difficult month or two, profits for 1970-71, in the region of £170,000 pre-tax, after loan interest, are not beyond reach. This would give a fully diluted p/e of 13½ which bardly pays tribute to the short-term implications.

DIVIDENDS ANNOUNCED

	Current payment %	Date of payment	Corre-sponding div. %	Total for year %	Total last year %
Associated Dairies	8	—	*4.8	14	*9.6
Australian Agricultl. int.	3½	Oct. 29	3½	—	10
B. and I. Nathan int.	8	—	5	—	15
Bishopsgate Property	4	—	3½	6	5½
Border TV	10	—	6	10	5
British Aluminium int.	2½	Oct. 29	2½	—	7½
Cedar Holdings	(c)10	—	—	15	—
Consolidated Diamond int.	†R1.50c	Nov. 5	R1.50c	—	R4.35c
Darjeeling	10	Oct. 22	9	10	9
De Beers Consl. int.	†5cts.	Nov. 5	5cts.	—	14cts.
Fox's Biscuits	5	—	7½	10	15
Frank Mason	2½	—	3¾	2½	3¾
Francis Sumner int.	3	Dec. 1	—	—	*7.27
James Garnar and Sons int.	4	Oct. 20	4	—	14½
Hellenic int.	(d)6	Oct. 15	4½	—	17
Hill and Smith int.	6	Oct. 6	5	—	16½
Lyons and Lyons	nil	—	3	nil	6
Minty int.	5	Oct. 15	2½	—	12½
Oliver Pell	15	Oct. 22	12½	25	20
W. H. Paul	12½	Nov. 5	nil	12½	nil
P & O Group int.	4½	Oct. 29	4½	—	12
Steetley Company int.	†2p	Sept. 30	2p	—	5.25p
Trafford Park Ests.	9	—	8	14	13
Tube Investments int.	†9p	Oct. 29	9p	—	19p

* Equivalent after allowing for scrip issue. † Amount per ehare.

(a) Tax free. (b) On capital increased by rights and/or acquisition issues. (c) Mada public January, 1971. (d) To reduce disparity.

P & O fall likely to be over 50%

FOLLOWING the warning et the annual meeting in April that current year profit of Peninsular and Oriental Steam Nevigation could drop to 50 or 60 per cent. of the £12.6m. attained in 1969-70, members are now told the profit is likely to be rather less than 50 per cent. of that figure.

For tha six months ended March 31, 1971, profits fell eharply from £5.06m. to £1.44m. Gross revenue showed an increase of £10.84m. to £102.42m., but this advaoce was insufficient to offset the rapid escalation in all operating costs, explain the directors.

The interim dividend is hald at 4½ per cent. at a cost of £2.58m. (£2.33m.)—the total for the year ended September 30, 1970, was 12 per cent.

Results are compared in the following tsble. Profit arising from sales of fixed assets and from other exceptional items amounting to about £2½m. in the six months bas not been included.

	Half Year 1970-71 £000	1969-70 £000
Gross Revenue—		
Shipowning & ancillary	86,850	81,802
Shipping & forwrdng., etc.	10,806	5,633
Ship repairing & eng'g.	4,059	3,403
Rents	900	735
Total	102,415	91,573
Profit from operations	3,440	5,309
Other income	1,697	1,530
Other expenses	2,692	1,782
Profit before tax	1,445	5,057
After charging—		
Depreciation	9,937	8,495
Hire of ships, etc.	2,035	2,889
Survey, etc., provisions	922	762
Interest	2,517	1,523
And crediting—		
Investment income	1,628	1,452
Net profit on sale*	69	78
Net rental income	399	364
From investment grants	594	501

* Profit on sale or redemption of short-term investments.

The directors point out that group profit does not accrue evenly over the year. No estimate of tax on a half yearly basis can be made. Because of the level of capital allowances, including free depreciation in respect of new ships, they expect there will not be sny material charge for corporation tax on profits for the year. The group will, bowever, be liable to overeas tax.

Duriog 1970 group depreciation policy was reviewed and cbanges msde to take effect in the accounts for 1969-70. Corresponding figures for the balf year to March 31, 1970, have been amended.

By a scheme (effective Februsry 26, 1971) the company ecquired Coast Lines, and the results of that group for the three montha ended March 31, 1971, are included in the figures. Shares issued as part consideration rank for dividends declared for 1970-71.

P and O also snnounced yesterday e £1.7m. casb offer for the 13.3 per ceot. of the General Steam Navigation Company it does not already own.

Rumours of this tidying-up operation began back in March when the GSN sharsa were 450p. P and O will offer through advisers Lazard Brothers 900p cash a share eod this news saw the GSN Ordinary jump 225p to 900p last night.

The GSN directors, who have been advised by Baring Brothers, are recommeoding the offer.

There will also be an offer of 80p cash for each of the outstanding 5 per cent. Cumulative Preference sharea of GSN.

See Lex

Bishopsgate Property pays more

A final dividend of 4 par cent. by Bishopsgate Property and General Investments makes a total of 6 per cent. for the year to Juna 30, 1971. Not less than the previous 5½ per cent. total was expected in February.

Total income was £906,025 against £909,372 and net revenue £381,244 compared with £418,753 after interest, £383,954 (£347,255) and tax £73,642 (£37,472).

Revenue for 1971 includes the results of BPI Securities and certain property investment subsidiaries of City and Provincial Real Estate for approximately eight months prior to their sale in February 1971. The comparative figures for 1970 include City and Provincial Real Estate and its subsidiaries for six months.

After minority credits of £21,042 (£121 debit) and crediting distributable surplus transfer from capital reserve, £33,896 (£14,537), the available profit comes out at £436,183 against £433,169 previously.

The surplus transfer represents interest on davelopment properties.

Hellenic & General

The Board of the Hellenic and General Trust says current estimates indicate that revenue for the current year to January 31, 1972, should be maintained at last year's level.

In the first half to July 31, 1971, gross income fell from £127,512 to £108,546 but this was due to the early receipt of certain dividends and interest in tha corresponding period.

The interim dividend is raised from 4½ per cent. to 6 per cent. to reduce disparity. A maintained total of 17 per cent—paid last year from gross income of £245,796 —has been forecast.

At July 31, 1971, a valuation of investments, including net current assets but excluding assets in Greece amounted to £7,667,789 (£5,815,437) and the asset value per £1 stock unit was £7.07 (£5.41).

	Half year 1971 £	1970 £
Gross income	108,546	127,512
Management exp. and int.	40,215	*8,749
Pre-tax balance	68,331	87,763
Tax recoverable	4,990	*3,611
Net revenue	73,321	84,152

* Charged.

Britton back to profits

MANUFACTURERS OF "TUF" footwear, G. B. Britton and Sons (Holdings), reports a first-balf group pre-tax profit of £63,000, against a loss of £258,000 for the corresponding period a year earlier.

The results, the directors state, are closely in line with plans, both at bome and overseas.

Although the figures show continuing progress, they have decided to defer consideration of payment of a dividend until the full year results are known. The last payment was a total of 17½ per cent. for 1968.

	Half year 1971 £000	1970 £000
U.K. profit	148	*14
Overseas profit	11	*141
Total profit	159	*155
Interest charges	96	101
Pre-tax profit	63	*256
Taxation	29	15
Net profit	34	*275
Attributable	32	*218

* Loss.

● comment

G. B. Britton has lived up to the further recovery hopes in its annual report with a £300,000 plus turnround into the black at the pre-tax level after six months of 1971. In the U.K. tha story seems to have been the same as before with the help of slightly more price flexibility at the retail end. Overseas, Australia is expected to break even in the full year compared with e trading loss of £88,000, while New Zealand should also be profitable. In line with the industry trend, trading conditions are currently healthy and enyway the second balf is traditionally better than the first. What this means for the full-year total is difficult to say at present, though it would only take earnings of just over £1m.—about 40 per cent. of tha 1967 figure—to put the group on a p/e of 10 at 31p.

ISSUE NEWS

Chubb raising £3.1m. by 1-for-11 rights

Chubb and Son announces that arrangements bave been made for an issue of 3,073,488 Ordinary 20p shares at 100p each. The shares will be offered by way of rights to Ordinary bolders registered on August 31 in the proportion of 1-for-11. Ordinary holders will also be entitled to apply for additional new Ordinary shares representing fractions and shares not taken up under the provisional allotment letters. The issue has been underwritten by Kleinwort Benson and the brokers are Hoare and Co. Govett.

The directors expect that greup profits, before tax, for 1971-72 will be in excess of those for the year to March 31, 1971.

The naw shares will not rank for the interim dividend of 4 per cent. (same) which the directors intend to declare in November, in respect of the year ending March 31, 1972. The directors expect to recommend a final dividend of not less than 13 per cent. (same) on the increased share capital.

It is expected that full details will be posted to holders on Thursday, September 16, and that dealings in the new shares (nil paid) will start the following day.

LONDON & MIDLAND INDUSTRIALS

Full details of the London and Midland Industrials' rights issue of £1.15m. 9½ per cent. convertible unsecured loan stock, 1988-91, at par on a basis of £4 of stock for every 17 Ordinary or special Ordinary 25p shares have now been sent out. The document contains a profits forecast for the year to March 31, 1972, of not less than £1m. pre-tax (against £936,374 for tha previous year).

Agreement has been reached in principle, for the acquisition of e company in a field complementary to tha group's existing engineering activities. The consideration for the acquisition is expected not to exceed £350,000, and in order that tha vendors will retain an interest in the future of the group, a substantial proportion of the consideration would be satisfied by the issue of Ordinary 25p shares and a further issue of convertible stock.

Simonside Investment

Simonside Investment Company announces a rights issue of £386,667 4½ per cent. Convertible Unsecured Loan stock, 1976. Dealings are expected to start to-day. The stock is being offered et par to Ordinary holders registered on August 25, in the proportion of £1 of stock for every three shares then held. The stock is payable in full by September 29. Interest will be payable half-yearly with a first payment of £1.09 per cent. on December 31.

The stock is convertible into Ordinary £1 shares on May 31 between 1972 and 1976 inclusive at the rate of 75 shares for every £100 of stock. This is equal to a conversion price of about 133p per share.

The issue has been underwritten by Messrs. Kitcat and Aitken.

TREASURY LOAN

The Bank of England announces that the list of applications for the issue of £600m. 8½ per cent. Treasury Loan 1987-90 closed yesterday. The full amount of the loan offered has been allotted, all applications received from the public being allotted in full.

HARTLEPOOLS WATER

Hartlepools Water Co. proposes to increase its authorised share capital by £500,000 and has authorised directors to raise the capital required to maintain and improve water supply and meet anticipated future demands, in the most advantageous manner.

More Issue News Page 21

OFFICIAL QUOTATIONS

Permission to deal in and quotation for the undermentioned securities has been granted:

Atherstone Rural District Council—£500,000 5¾ per cent. Bonds, September 13, 1972, fully paid.

Bolton (County Borough of)—£1m. 5¾ per cent. Bonds, September 13, 1973, fully paid.

Cambridgeshire and Isle of Ely County Council—£1m. 5¾ per cent. Bonds, September 13, 1972, fully paid.

Camden (London Borough of)—£1m. 5¾ per cent. Bonds, September 13, 1973, fully paid.

Cheshunt Urban District Council—£250,000 5¾ per cent. Bonds, September 23, 1972, fully paid; £500,000 5¾ per cent. Bonds, September 13, 1973, fully paid.

Dundee Corporation—£500,000 5¾ per cent. Bonds, September 13, 1972, fully paid.

Haverfordwest Rural District Council—£500,000 5¾ per cent. Bonds, September 13, 1972, fully paid.

Herefordshire Water Board—£500,000 5¾ per cent. Bonds, September 13, 1972, fully paid.

Lower Clyde Water Board—£500,000 5¾ per cent. Bonds, September 13, 1972, fully paid.

Mining Supplies—2.5m. new Ordinary shares of 10p each, fully paid.

Northern Developments (Holdings)—5m. new Ordinary shares of 10p each, fully paid.

Portsmouth (City of)—£2m. 5¾ per cent. Bonds, September 13, 1972, fully paid.

Sudbury Rural District Council—£250,000 5¾ per cent. Bonds, September 13, 1972, fully paid; £250,000 6¼ per cent. Bonds, September 11, 1974, fully paid.

Surrey County Council—£3m. 5¾ per cent. Bonds, September 13, 1972, fully paid.

Agricultural Mortgage Corporation—After allotment: £10m. 9 per cent. Debenture stock 1979-82 partly and fully paid (£10 per cent. paid, £35 per cent. paid, A/L fully paid).

Allied Colloids Manufacturing Company—207,702 Ordinary shares of 10p each, fully paid.

Army and Navy Stores—£2,000 stock.

Croda International—£336,101 per cent. unsecured Loan stock 1991-96, fully paid.

Lyons (J.) and Co.—£64 "A" (non-voting) Ordinary stock.

Mercantile Credit Co.—2,300 Ordinary shares of 25p each, fully paid.

Mevitex — After allotment: 117,972 Ordinary shares of 10p each, fully paid (ranking for dividend from March 1, 1971).

Slater, Walker Investment Trust—After allotment: 200 Ordinary shares of 50p each, fully paid; 12.5m. new Ordinary shares of 50p each, fully paid; £10m. 8¼ per cent. partly convertible unsecured Loan stock 1981, fully paid (A/L fully paid).

Steinberg and Sons (London and South Wales)—5,000 "A" Ordinary non-voting shares of 10p each, fully paid.

United Kingdom — After allotment: £600m. 8½ per cent. Treasury Loan 1987-1990, fully paid.

Ward (Thos. W.)—After allotment: 273,229 Ordinary shares of £1 each, fully paid (ranking for dividend from July 1, 1971).

AMENDMENT

The following appeared on Notice 7368 dated September 7, 1971:

Grand Metropolitan Hotels—From September 7, 1971, for deferred settlement on September 21, 1971: 5,470,363 new Ordinary shares of 50p each, fully paid; Warrants to subscribe for 3,125,922 Ordinary shares (R/C fully paid); 1,217,250 4½ per cent. Cumulative Preference shares of £1 each, fully paid (R/C fully paid); £10,940,725 8¼ per cent. unsecured Loan stock 1977-78, fully paid (R/C fully paid); £7,424,963 new 10 per cent. convertible unsecured Loan stock 1991-96, fully paid.

This was incorrect and should have been:

Grand Metropolitan Hotels—From September 7, 1971, for deferred settlement on September 21, 1971: 5,470,363 new Ordinary shares of 50p each, fully paid; Warrants to subscribe for 3,125,922 Ordinary shares (R/C fully paid); £10,940,725 8¼ per cent. unsecured Loan stock 1977-78, fully paid (R/C fully paid); £7,424,963 new 10 per cent. convertible unsecured Loan stock 1991-96, fully paid.

CANCELLATION OF QUOTATION

Permission to deal in and quotation for the undermentioned security has been cancelled from 9.30 a.m.

POW Realisations—Ordinary stock. The Receiver has stated that in his opinion there are no prospects of any distribution being made to holders of the Ordinary stock. Application to make specific bargains in the above security under Rule 163 (2) may be submitted.

TEMPORARY SUSPENSION OF QUOTATION

Permission to deal in and quotation for the undermentioned securities has been temporarily suspended from 12 noon pending clarification of the position of the company.

Meccano Tri-ang—7 per cent. cumulative Preference shares of £1 each, fully paid; 5½ per cent. 2nd cumulative Preference shares of £1 each, fully paid.

Lines Bros.—Ordinary shares of 25p each, fully paid; 6½ per cent. 1st cumulative Preference shares of £1 each, fully paid; 4½ per cent. cumulative redeemable Preference shares of £1 each, fully paid; 6¼ per cent. unsecured Loan stock 1980-1985, fully paid; 7½ per cent. unsecured Loan stock 1987-92, fully paid.

Lines Bros.—5½ per cent. 2nd cumulative Preference shares of £1 each, fully paid.

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FT/9/71

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The National Bank of Australasia Limited

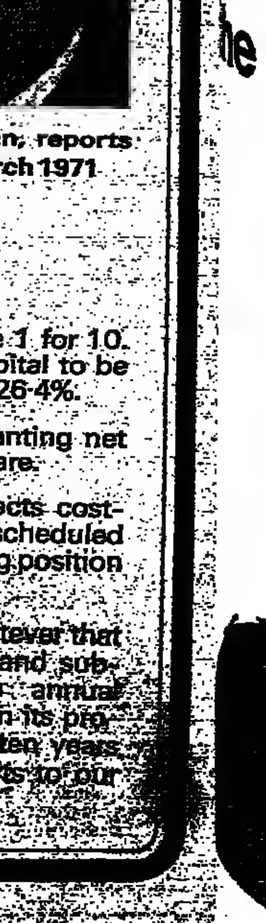
Town & City Properties Ltd

Outstanding Results and Prospects

B. D. East, B.Sc., Chairman, reports on the year ended 31st March 1971

Rental Income	Up £2.4m to £11.8m.
Profits after Tax	Up £406,000 to £1.73m.
Dividend	Up 4% to 24%. Scrip Issue 1 for 10. Dividend on increased capital to be maintained, equivalent to 26.4%.
Property Assets	Now over £165m. representing net asset value of 150p per share.
Development Programme	Exceptional growth. Projects costing £157m in progress or scheduled to start by 1973. Pre-letting position "very satisfactory".
Prospects	"...I have no doubt whatever that there will be progressive and substantial increases in the annual profits of the Group and in its property assets over the next ten years with commensurate benefits to our shareholders."

T&CP



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BIDS AND DEALS

Grimshawe-Windsor bid for Blaskeys

IN A NEAR £2m. deal, Grimshawe-Windsor is to considerably expand the retail side of its wallpaper and paints operations through an agreed bid for Blaskeys (Wallpapers). This will give G-W a chain of some 35 shops in the Sheffield-Huddersfield-Halifax area to complement its existing Managers and Clyde Wallpapers retailing division.

Terms are one G-W Ordinary, up 2p to 36p yesterday, plus 75p cash for every three Blaskeys Ordinary, giving a per share value of 37p. On the news, Blaskays shares rose 5p to 35p. The cash alternative is 35p a share.

Tha directors of Blaskeys hava agreed to accept and will recommend other shareholders to accept. They hava not less than 56 per cent. of the equity. A subsidiary of G-W owns some 1½ per cent. of Blaskeys shares.

In 1970, Blaskeya earned pre-tax profits of nearly £260,000, which was around £5,000 less than the previous year. Howevar, it appears that the first half of 1971 has shown a recovery.

A big attraction of Blaskeys for G-W is its assets. It has around £600,000 in cash and there are uncharged properties worth a similar sum, based on a 1964 valuation. Thus, the deal will also give a boost to G-W's asset value per share.

In tha nagotiations, Blaskeys has been advised by Schroder Wagg. Documents will be sent out on behalf of G-W by P. R. Grimshawe and Co. as soon as possible.

Tha directors, who are being advised by Baring Brothers and Co., consider the offer to be "totally inadequate" and when holders receive the formal document they will be strongly advised to reject it.

Selmes big stake in Eden Fisher

Two of Mr. Christopher Selmes' companies yesterday revealed they have substantial holdings in Eden Fisher Holdings, the commercial printers.

Drakes now owns about 16.7 per cent. (or roughly 605,000 shares) of Eden Fisher while Dowgate and General Investments has a furthar 12.7 per cent. (about 460,000 shares).

These holdings were bought "as a long-term investment" at an averaga substantially below the current market price, said Drakes. The Eden Fisher price, which has been vary firm recently, was 90p last night, down 1p, because it was added that Drakes does not intend to bid for the remainder of the capital.

Meanwhile, Drakes has sent a reminder to holders in Yorkshire Brick reminding them that its recommended offer closes on September 20. Drakes now has 97 per cent. of Yorkshire Brick.

arrived at before daducting non-recurring expenses of between £40,000 and £50,000 after taking into account estimated surplus on the realisation of assets no longer required.

First closing date for tha offer is September 29 and the cash offar will not ba extended beyond that date.

Ogilvy and Mather–S. H. Benson

Ogilvy and Mather will pay £485,000 cash and £400,000 in an 8 per cent. Convertibla Unsecured Loan stock, 1976-81 (convertible into Ogilvy and Mather International Inc. Common stock) for the advertising and related activities of S. H. Benson.

This was announced yesterday by Rothschild Investment Trust which gained control of Benson on August 10.

RIT, as already announced, will retain a number of tha Benson assets including tha leasehold interest in 129, Kingsway, London.

WESTON PHARMACEUTICALS

Mr. Ralph Weston, chairman of Weston Pharmaceuticals, has sent a letter to shareholders outlining the £425,000 acquisition of Permaflex, which makes and deals in smokers' accessories.

ASSOCIATES DEALS

Rothschilds announce that on Tuesday W. I. Carr Sons bought for R. G. Shaw and Co., an associate of Sime Darby Holdings, 75,000 Seafield at 55p.

DOWNING

Two brickworks, one near Accrington and the other in the Leeds area, have been acquired from Redland by G. H. Downing, the latter's chairman, Mr. D. S. Hartley, told shareholders.

Mr. Hartley said the acquisitions would extend existing business in the north of England and he hoped they would contribute to profits in the current year.

Meeting Page 7

EGH SEEKS TO OUST SETTLE SPEAKMAN BOARD

Eastern and General Holdings nominees have requisitioned an extra-ordinary meeting of Settle Speakman to try and oust four of the five existing directors of Settle. This move has been forced on EGH because, despite the fact that it owns over 67 per cent. of the Eastern shares as a result of a recent offer, the Settle directors are still resisting tha bid.

EGH had plans to sell the Byatt subsidiaries of Settle to Lex Group and the Skipper Group (itself a one-time bidder for Settla) for £815,000. The Settle Board considered this to be an undervaluation of Byatt and subsequently sold Byatt to Bristol Street Group for £950,000.

The extra-ordinary meeting is to be held on September 27. The resolution will be for the removal of Mr. W. H. Carroll, Mr. J. A. Donne, Mr. J. R. Carroll and Mr. F. Edwards from the Settle Board and for tha appointment of Mr. J. Janson, Mr. D. J. P. Bryans and Mr. R. W. Reeves.

DICKWELLA

Dickwella (Holdings) has received a cash offer of 35p per £1 share from Brisden Properties, valuing the £105,000 capital at £36,750. Dickwella shares closed unchanged at 75p yesterday.

FNFC-SPEY

At the First National Finance Corporation extraordinary meeting, the resolutions increasing the capital (primarily to deal with the acquisition of Spey Finance), modifying the articles and repaying the Preference stock were passed.

It was also announced yester-Holdings for £1.4m.- Graham, Finance to Moorgate Mercantila Holdings for £1.4m. Graham is based in Southend, was part of Spey, which FNFC bought in an £8.5m. cash and shares deal in July. At April 30, 1971, Graham had net assets of £1.2m.

BLUEMEL BID IS DROPPED

THE offer by Bristol Street Group for Bluemel Bros. has been allowed to lapse because there were insufficient acceptances. Immediate reaction in the market yesterday was for tha Bluemel shares to fall 7p to 80p compared with the 98.375p valua put on them by the Bristol terms.

JOHN MARTIN ESTIMATE

Recommending the offer from Lewis and Peat, Mr. John Martin, chairman and managing diractor of John Martin of London, estimates that pre-tax profit in the year to January, 1972, will be not less than £175,000 (£103,177).

The current-year figures will be

RANK-CITY WALL

Acceptances of the offer made on behalf of the Rank Organisation for the Ordinary shares of City Wall Properties have been received in respect of 7,251,315 shares (91.95 per cent.). The offer has become unconditional as regards acceptances and remains open until further notice.

DEMODERA TEA

The formal offer document in connection with the offer by Larkfold for Demodera Tea has now been sent out.

Terms are an exchange of Ordinary and Preference shares a one-for-one basis.

It is envisaged that Larkfold will by September 30 be converted into a public company.

MINING NEWS

De Beers turns the corner

BY KENNETH MARSTON

AFTER last year's setback of 31 per cent. in net profits, De Beers is on the recovery trail, as forecast by Lodestar on Monday. Although gross income during the past half-year to June 30 was lowar than that of a year ago, the tax and lease payments also fell and group net profits for the latest period come out at R43.9m. (£25.6m.), compared with R40.5m. in the same period of 1970, when tha total reached R76.8m.

Furthermore, De Beers states that the more favourable trend in the diamond markat, which was noted by the chairman, Mr. Harry Oppenheimer, in May, is continuing and a further improvement in net profits is expected in the

Mr. Harry Oppenheimer

current half of this year. Meanwhile, the interim is being maintained at 5 cents (2.9p), last year's total having been an unchanged 14 cents.

As already anoounced, the value of world diamond sales handled by the Central Selling Organisation on behalf of De Beers and other producers amounted to R220m. (£128m.) in the first half of this year, a 9.6 per cent. increase on that for the first six months of 1970.

Diamond stocks

The recovery trend may well be accelerated by President Nixon's determination to boost the economy of the U.S. which is the biggest buyer of gem diamonds. It is worth bearing in mind that as a hang-over of last year'a difficult market conditions De Beers has been carrying big stocks of unsold diamonds, largely of the smaller gem stones, which at December 31 had a book value of R184m. (£107m.).

Given a return of more prosperous conditions in the diamond market these paid-for diamonds will change from a burden to a major realisable asset for De Beers which continues to draw a useful income from its substantial gold investments. In line with a little last minute uncertainty in front of the half-year results De Beers eased 2p to 213p yesterday, not far from the year'a low of 197p. They deserve to look rather mora cheerful to-day.

Statement Page 6

POSEIDON BILL DEFERMENT

The Westarn Australian Industrial Development Ministar Mr. H. Graham said yesterday that his Government would ask tha Legislative Assembly to defer a Bill ratifying the agreament with Poseidon on nickel mining at Mount Windarra.

This results from tha change in circumstances following Poseidon's joint venture agreement with America's Union Oil, Homestake, and Hanna companies.

The effect of the joint venture on the agreement would have to be considered, Mr. Graham said. But he added that the Government's action was in no way to be construed as meaning that the new davelopment was being viewed unfavourably. Poseidon shares rose 50p to £10 in London yesterday.

BISICHI TIN'S PROBLEMS

The Nigerian tin and columbite-producing Bisichi Tin is continuing to live through difficult times. The chairman, Mr. W. J. C. Richards, says that it has proved imposaible to contain costs, which have been further inflated by the past devaluation of sterling.

Heavy royalties have to be paid to Nigeria, irrespective of the profitability of operations, and because of exchange control difficulties the payment of dividends is governed by the level of cash reserves in the U.K. Bisichi, however, still hopes to avoid passing its dividend.

Mr. Richards points out that tha future of the country's mining industry is in the hands of the Government there "and it is our belief that our representations will not fall on deaf ears."

W. DRIE. FIRE

The underground fire at West Driefontein, reported here yesterday, has now been contained and prevented from spreading. The Consolidated Gold Fields group's major South African gold mine thus hopes that production should return to normal by the week-end.

Until the fire has been extinguished the daily rate of production is expected to be reduced by about 30 per cent. However, it is believed that the loss of output for short periods is covered by insurance. In London yesterday West Driefontein were 10p down at 875p.

MINING BRIEFS

KINTA KELLAS TIN—August output of tin ore 97.51 long tons (July 98.16 tons).

RAHMAN HYDRAULIC TIN—August output of tin ore 52.8 tons (July: 52.7 tons).

"Tubes" first half pre-tax profit down

FROM EXTERNAL sales of £179.47m., against £172.85m., first-half group profit, before tax, of Tube Investments is almost £2m. down at £10.57m.; however, after lower tax and minorities the attributable balance comes through marginally ahaad at £5.18m.

The directors explain that profits wera adversely affected by the increasing weakness of investment demand, particularly in tha steel tube division. Aluminium division sales volume and profits also suffered from the effects of world-wide excess of production capacity over demand.

In the generally difficult conditions the angineering side did well to improve its profits compared with last year, and machine tool division to maintain about the level of profitability reached in 1970 after excluding Froriep and the Rolls-Royca provision.

The cycle and domestic appliance divisions achieved "significant increases" in profit, the former benefiting from a strong export performance, particularly to the U.S., they report.

The outlook for the rest of 1971 continues to be mixed. They expect consumer demand to respond soon to the Government'a July measures, further improving prospects for the consumer divisions; while on the other hand there seems likely to be little response in investment demand before next year.

The group is well placed to take advantage of a general economic recovery but until this materialises divisiona heavily dependent on investment levels will continue to have a difficult time, members are told.

An unchanged interim dividend of 9p per £1 share is declared in respect of 1971. For 1970 a total of 19p was paid from profits, before tax, of £23.06m.

	Six months 1971 £000	1970 £000
External sales	179,474	172,847
Trading profit	16,585	17,632
Unrequired R-R provision	496	—
Depreciation	5,107	4,505
Leaving	12,273	13,127
Other income	1,834	2,328
Bank, etc., interest	1,525	1,252
Profit before loan int.	12,581	14,203
Loan interest	1,912	1,574
Profit before tax	10,669	12,629
Taxation	4,629	5,998
Net profit	6,040	5,631
Minorities	863	1,464
Attributable	5,177	5,167
Retained associates	451	555
Exceptional items	1,559	233
Less minorities	545	138

Details of trading profit after depreciation including additions to the group from respective acquisition date are given in the following table.

	Six months 1971 £m.	1970 £m.
Comparable companies	11.75	12.76
Acquisitions 1970	0.45	0.47
Acquisitions 1971	0.07	—
Disposals 1971	—	0.10
Totals	12.27	13.13

The figures of new subsidiaries are included from their respective dates of acquisition/formation in their appropriate divisions. Maschinenfabrik Froriep and Gowshall were sold during the period and their results are included for 1970 but not for 1971.

Part of the £2.1m. provision made in 1970 for possible exceptional losses in connection with Rolls-Royce has been released during the period. The amount brought back into profit totals £496,000 of which £250,000 relates to steel tube division and £246,000 to machine tool division. The provisions released are in respect of cash actually received or firm orders placed by Rolls-Royce (1971).

Loan interast is after deducting £880,000 (£355,000) attributable to the capital cost of the new Invergordon smeltar.

Exceptional items (net after tax) comprise profits on sales of property £64,000 (£35,000); loss less profit on sales of subsidiaries £187,000 (nil); interest and other revanue expenditure arising from the new Invergordon smelter £1,086,000 (£264,000); issue expenses £357,000 (nil); miscellaneous debits £13,000 (£4,000).

Statement Page 23

See Lex

Second Alliance prospects

CHAIRMAN of tha Second Alliance Trust, Mr. D. F. McCurrach, says in his annual report that despite tha "massiva doubts" overhanging Britain and the U.S. thare seems to be fairly wide agreement alike that profits are likely to rise and that real recovery when it comes must be "consumer led."

Without necessarily subscribing to the former view he would rely on tha "overwhelming" weighting of the portfolio towards consumer goods and services (only 6¼ per cent. of the funds are in heavy industries or cyclical securities) to continue the regular growth in dividend collections.

As reported on August 28 with net asset values, net revenue after tax for the year to July 31, 1971, increased from £1.03m. to £1.07m., and the dividend is stepped up from 5p to 5.125p per 25p share.

Tha big switch into gilt-edged from equities during tha two previous years is now fully reflected in a risa of £84,000 in interest income. On the other hand equity sales resulted in dividend income down by £49,000.

U.K. and other non-U.S. equities hava been gradually restored from 39.9 per cent. to 49.2 per cent. of the total fund, while gilt-edged and deposit proportion were reduced from 19.6 per cent. to 11. per cent.

Tha trust has not, however, reinvested in U.S. equities which remain relatively low at 35 per cent. of tha fund, the chairman adds.

A list of tha 20 largest equity investments is given. Thay represent 35.5 per cent. of tha total equity holdings. Meeting, Dundee October 1, at noon.

Statement Page 22

Trafford Park pays extra 1%

A final dividend raised 1 per cent to 9 per cent. by Trafford Park Estates lifts the total from 13 per cent. to 14 per cent. for the year ended June 30, 1971.

Following the rise from £304,27[illegible] to £307,864 at the half-way stage the yaar's pre-tax figure increased from £563,695 to £600,085.

Nat profit for the year improved from £406,245 to £418,403, after tax of £181,682 (£157,450).

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1971 High	1971 Low	Stock	Closing Price p	+ or −	Div. £ or Amount	Times Covered	Gross Yield	P/E Ratio
75	F.P.	3/9	82	70½	Allied Polymer	80	−1	b18	1.3	6.5	13.9
—	F.P.	—	51	40	Cap. & Counties W'rr'ts	44	−1	—	—	—	—
♦	F.P.	—	220	165	Carron Co. (Hldgs)	165	−5	b20	2.3	5.0	14.4
44	F.P.	27/8	66	52	Forminster 10p	66	......	b37½	1.4	6.7	10.7
—	F.P.	—	95	88	Grand Met. Warrants	95½	−1½	—	—	—	—
80	F.P.	3/9	128	112	Kettering M'r Serv 10p	126	+1	b40	1.6	3.1	19.4
52	F.P.	27/8	75	65	Lawdon (10p)	75	+5	b35	1.8	4.7	12.0
—	F.P.	16/9	75	65	Mucklow (A. & J.) Dfd.	75	......	—	—	—	—
62	F.P.	26/8	96	72	NSS Newsagents (10p)	95	−1	b2.2½	2.2	2.4	18.6
56	F.P.	3/9	69½	66	Thanet Inv. (50p)	69½	+½	—	—	—	—
28	F.P.	5/9	36	22½	Do. Warrants	36	+¾	—	—	—	—
—	—	5/11	54	38	Tr'falg'r Hse 'B' W'rr'ts	53	−1	—	—	—	—
♦	F.P.	—	95	80	Unitech 10p	84	−2	a10	4.0	1.2	21.2
♦17½	F.P.	6/9	18	16½	Wright-Scriven (12½p)	17¼	......	b12	1.5	8.7	7.7

Issue Price	Amount Paid Up	Latest Renunc. Date	1971 High	1971 Low	Stock	Closing Price £	+ or −
£100	F.P.	—	104¼	101	Int. Bank 8% 1976	104	......
£97½	F.P.	30/11	104½	98	I.C.F.O. 9% Uns. Ln. Stk. 1977	104¼	......
£100	F.P.	—	98½	98¼	I.O.I. Int. Fin. 8% ST. DM. Bds. 78-85	98½	......
£97	£10	4/2	11	10	Ireland 9½% Stock 1991-96	10¾	−¼
£100	nil	—	6	2	Kullm 10½% Conv. Uns. Ln. Stk. 92/97	1pm	......
††	F.P.	15/9	102	92½	Newman Inds. 10½% Part Conv. '86-8	102	......
£100	£30	17/12	31	29¼	Northampton Corp. 8% Red. Stk. 78-8	31	......
£98	£10	16/12	12½	10¾	Nottingham 8% Red. Stk. 79-80	12	−½
£100	F.P.	11/8	114	108	Plantation 11% Conv. Sub. '91-96	109	......
£100	F.P.	15/10	121	114½	Racal Elect. 6% Conv. '95-2000	121	+1
£100	F.P.	16/9	109½	100	Ball Int. 9% Uns. 1974	109½	+2½
††	F.P.	—	42	41	Rothschild Inv. 4½% Deb. Stk.	42	+1
††	F.P.	—	47	47	Do. 6% Cum. Pref.	47	......
††	F.P.	—	65	63	Do. 6% Cum. Pref.	65	......
$100	F.P.	—	98½	97	Sandvikens 9% $ Bonds 1986	98	......
£99	£50	31/1	55	50	Sheepbridge 10½% Deb. '92-7	55	+1½
£100	£25	8/10	40	26¾	Throgmorton Tst. 8½% Conv. 88-92	39	......
††	F.P.	14/10	138	125	Tozer Kemsley 8% Conv. 1981	138	+8
£100	F.P.	5/11	101¾	101½	Trafalgar Hse. 10½% Uns. Ln. 2001-6	101¾	......
£100	F.P.	6/8	109¾	101	Union Commercial 6½% Conv. 1986	109¾	......
†106	F.P.	15/9	112½	106½	Wrexham & E.D. 10% Red. Pref. 1977	106½	......
£100	£10	29/10	18½	18½	York Water 10% Red. Pref. 1976	18½	......

FIXED INTEREST STOCKS

Issue Price	Amount Paid Up	Latest Renunc. Date	1971 High	1971 Low	Stock	Closing Price £	+ or −
£1	F.P.	—	123	117	Adeption new 8½% Conv. Uns. Ln. 90/95	117xd	−1½
£100	F.P.	—	99½	98½	Airlease 9% Gua. $Bds. 1986	99½	......
£100	F.P.	—	109	99	Do. 8¾% Gua. $ Notes 1976	100	......
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue Price p	Amount Paid Up	Latest Renunc. Date	1971 High	1971 Low	Stock	Closing Price p	+ or −
12½	Nil	—	[illegible]	[illegible]	Bristol Plant	1pm	......
15	F.P.	—	[illegible]	[illegible]	London & Assoc.	24½	+2½
57	Nil	—	[illegible]	[illegible]	London & Leeds 'B'	9pm	+½

[illegible] Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. [illegible] ‡ Issued by tender. ‡ Offered to holders of Ordinary shares as a "rights." ** Issued by way of capitalisation. †† Tender minimum price. § Reintroduced. ¶ Issued in connection with reorganisation, merger or take-over. ‡‡ Provincial quotation. ♦ Introduction. ‡ Issued to former Preference holders. * Dealt in under Special Rule. § Price at time of suspension.

ISSUE NEWS-(Ctd.)

VERNON FASHION

Arrangements are in hand for a placing of around half a million 10p shares in Vernon Fashion Group.

The group which retails ladies and childrens' wear has 53 branches and it expects to increase the total to 60 during the next few months. Profits for the year ending January, 1972, are expected to exceed £140,000.

Mr. Sidney Marks has been appointed chairman and Mr. Louis Vernon remains as managing director.

HTV SCRIP

In order to obtain a market quotation it is essential that the shares of HTV Limited should be fully paid. Tha directors have therefore decided to make a call of 5p par Non-Voting share to be paid on October 6 1971. It is also recommended that £322,286 be capitalised and applied in paying up the balance of 7½p per Non-Voting share and the shares distributad to holders of Voting shares on the basis of three Non-Voting for every seven Voting shares held.

Extraordinary meeting Friday October 29.

TIGON GROUP

Underwriting has been completed in connection with the offer for sale by Rowe Rudd and Co., of 3.95m. Ordinary 10p shares of the Tigon Group.

Full details will be published on Monday, and dealings are expected to start Wednesday, September 22.

Australian Agricultural looks for £1m.

Subject to unforeseen circumstances, it is estimated that profits, before tax, of Australian Agricultural Company for the year ending October 31, 1971, will be in the region of £1m., against £683,307 and will include exceptional profits of about £150,000.

An unchanged interim dividend of 3½ per cent. is declared. The previous total was 10 per cent.

Unaudited accounts for the six months ended April 30, 1971, show a consolidated loss, before tax, of £223,191 (£81,592). Income is concentrated in tha second half and the figures for the first giva no guidance in assessing results for the full year.

Pastoral conditions so far have shown a substantial improvement over 1970, although the general rains wara lata. In the north one or two stations are awaiting early seasonal rains.

It is estimated that taxation on the 1971 profits will absorb about 30 per cent. of profits, compared with 46 per cent. last year.

THE CITY CODE ON TAKEOVERS AND MERGERS

ANNOUNCEMENT BY THE CITY WORKING PARTY

Following the Panel's ruling in the Adepton/Williams Hudson case, the Panel invited the City Working Party to review the relevant provisions of the Code to see whether any changes were recommended. As is well known, the Panel regards itself as responsible for administering the Code but not for amending the Rules.

The point at issue is whether an offeror who purchases for cash through the market or otherwise (whether during or before the offer period) holdings of a size which may materially affect the outcome of the bid, should, in appropriate circumstances, be required to offer a cash alternative to the remaining holders. Institutional Investors have strongly represented that a provision should be inserted in the Code to deal with this situation and after full discussion the City Working Party has decided that a new Rule No. 29A should be inserted in the Code to this effect. The new Rule and a consequential amendment to Rule 16, which will come into effect in respect of any offer announced after today, are set out below.

It will be seen that under Rule 29A the Panel has specific authority to require a cash alternative in exceptional circumstances where it feels that this is necessary in order to ensure that General Principle 8 of the Code is observed. This Principle requires that all shareholders of the same class of an offeree company shall be treated similarly by an offeror. The Panel will also have authority in exceptional circumstances to give exemption from the operation of Rule 29A, after prior consultation.

NEW RULE 29A

If (a) the total of the shares of any class under offer in the offeree company purchased for cash either through the market or otherwise by the offeror and any person or company acting in concert with the offeror during the offer period and within one year prior to its commencement exceeds 15% of that class;

or

(b) in the view of the Panel there are exceptional circumstances which render such a course necessary in order to give effect to General Principle 8;

then, except with the specific approval of the Panel in cases falling under (a) above, the offer for that class shall be in cash or accompanied by a cash alternative at not less than the highest cash price (excluding stamp duty and commission) paid for shares of that class acquired during the offer period and within one year prior to its commencement.

If the offeror considers that the "highest cash price" (as defined above) should not apply to a particular case (if, for instance, it considers that there has been a general change in market prices since the relevant purchase or facts have been published causing a change in the market value of the securities of the offeree company) the offeror should consult the Panel which will have discretion to agree an adjusted price.

In any situation where the provisions of this Rule apply no provisions of Rule 31 shall be applicable.

AMENDMENT TO RULE 16

Delete in lines 15 and 16 the words "within six months of the date of the offer document" and substitute "during the period commencing one year prior to the announcement of the offer and ending with the latest practicable date prior to the posting of the offer document."

London,
8th September, 1971.

Note—Printed slips of the new Rule 29A and Rule 16 as amended may be obtained on application to the Secretary, Issuing Houses Association, 20, Fenchurch Street, London, EC3M 3DB. No charge will be made for these but applications should be accompanied by a stamped addressed envelope.

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Name

Company address

Position held

Flight required

INTERNATIONAL COMPANY NEWS + EURO MARKETS

Investors more reluctant to lend to South Africa

BY WILLIAM LOW

INTERNATIONAL investors are becoming increasingly reluctant to lend money to South Africa, which has been a frequent borrower in the international money and capital markets during the past year.

Evidence of this trend is provided by the fect thet the South African Government's attempt to borrow Fl.60m. has ended in failure. According to informed Dutch banking sources, only Fl.45m. were eubscribed by internetional iovestors to the seven-year. 7.5 per cent. notes issue, priced at 99½ per cent.

Normally, sucb issues ettract a heavy oversubscription from investors. One leeding Amsterdam *bank ettributed the* uodersubscription to the South African loan to feers on the part of investors that South Africa's balance of payments poeition is euch thet the country could run into probleme concerning the servicing of outstanding foreign debts.

South Africa, I understand, is also trying to raise substantial *funds by way of a medium-term* (three to seven years) Euro-currency credit from a group of internetional banks. Several American banks are anxious that any involvement on their part should be kcpt secret· as a result, some of these banks are likely to dissociate themselves from any borrowing operations due to fears, as one such bank put it, "that our windows will be broken by demonstrators."

It eppears that internetional investors will reduce their lending ectivities in releticn to South Africa because of political and economic reasons. This does not mean, however, that South *African borrowers in* international money and capital markets will find it impossible to raise money; rather, the cost of horrowing funds will rise.

For example, one international banker suggested, a South African borrcwer will now have to pay between one-quarter and one-half per cent. more in interest On a loan of $20m., this could mean an *additional* annual paymant of $100,000.

BHP expects profit rise

BY MICHAEL SOUTHERN, AUSTRALIA EDITOR

SYDNEY, Sept. 8.

SIR IAN McLennan, the chairman of Broken Hill Proprietary, Austrelie'e largest company, to-day told shareholders thet while e profit Increase wes expected in the current financial year, it was "very dependent on industrial conditions and on the ebsence of major unforeseen heppenings."

Sir Ian told the long and et times stormy annual meeting of the company that inflation and industrial disturbances wera e major problem and both were likely to have an influence on thie year's results. "Our present thinking, however, is that following our beavy capital investments ($A699m. in the paet four years), profit for the year we are now in should show an *improvement* over those for the past year."

He eaid the company may have to epproach the Federal Government before 1975 for an increase in local crude oil prices. He added that biving off the oil and gas operation from the iron and steel division would weaken the company.

The world recession in the steel industry bad resulted in some changes in the overseas group's negotiation with BHP to establish en export oriented eteelworks at Kwinana, Western Australia.

This recession bed caused raw materials exporters to revise their expension plans, althougb Mount Newman would continue with its expansion to 30m. tons a year.

Date fixed for Bastogi merger meeting

BY OUR OWN CORRESPONDENT

ROME, Sept. 8.

THE BOARD of Bastogi has fixed September 27 or 28 (on second call) as the date of tha *special* shareholders' meeting to approve the proposed incorporation of tha three holding companies Italpi, Ses and Sges.

Financial sources In Milan believe that the choice of date is significant in that Bastogi sbarebolders who intend to vote will have to deposit their ehares five days before tha meeting. Meanwhile, shares bought on a forward basis through the Bourse will not he delivered until September 30.

This effectively rules out tha possibility that interested parties wishing to increase their Bastogi ebareholding prior to the meeting could do so through the Bourse.

This is seen as a defensive action to forestall any move by the financier Signor Michele Sindona to increase his already extensive stake in Bastogi.

Sindone is reportedly opposed to the merger, whicb would block plans for closer links between Bastogi and La Centrale Finanziaria, of which Sindone is chairman of the executive Board.

Sr. Sindona was questioned to-day by the president of the Milan Stock Exchange Commission about *Press* reports that ha was prepared to pey Lire 2,800 for a limited number of Bastogi shares (they closed on the Milan Bourse to-day at Lire 1,961).

Sindona denied he had made eny such offer, adding that an earlier offer made to the controlling syndicate of Bastogi hy him on bebalf of a third party had been rejected. He had since declined the mandate from this *party as it conflicted* with his position et La Centrale, whose Board approved the Bastogi mergar plan, be said.

Opinion in financial circles is divided, however, with opinion in tha Bourse tending to believe that Sindona is still buying Bastogi shares on a private casb-for-shares basis, and still intends to have a large and, if possible, cootrolling *packet of shares to place before* the extra-ordinary meeting.

The feeling is also that the Governmant and monetary anthorities beve made clear their support for tha Bastogi merger, partly because it guarantees Italien control over what will be the largest prlvete bolding company, and also because the new holding will have a nearly 7 per cent. *shareholding in Montecatini* Edison, whicb will help to offset the large ENI ehareholding and guarantee the continuing private enterprise nature of the Montedisoo group.

Anti-trust hit Reynolds deal with Rothmans

By Our Own Correspondent

ZURICH, Sept. 8.

AMERICAN anti-trust legislation bas been a major fector in the breakdown of co-operation talks between R. J. Reynolds Industries and the Rothmans Internationel group, claimed to be the first negotiations of their kind between two major international tobacco companies. Speeking at the opening of a Reynolds' cigarette plant at Dagmersellen, *Switzerland*, an executiva of R. J. Reynolds (Europe) stated recently thet although "the door was not closed" for the future, difficulties were at present insuperable.

The two concerns began talks this January to discuss co-operation possibilties in tha form of licence arrangements, joint marketing programmes or even a merger; the primary aim heving been common efforts through subsidiarles in the production and marketing of cigarettes and otber tobacco products in countries other than in North America and Africa. Had the protracted consultatione succeeded, the higbly-competitive cigarette market would bave been faced with a link-up of two of the world's leading manufacturers.

With regard to the future plans of the Reynolds group, which in recent years has built up such *non-tobacco* activities as production of peckaging materials and foodstuffs aod cootalner-transport operation to about a quarter of its total turnover, it is stated that investments over the coming years will be "by no means less" than those recorded over the pest ten years.

U.S. TRUCKING INDUSTRY

Strikes with silver linings

BY ART GARCIA, CALIFORNIA CORRESPONDENT

AMERICA's trucking companies, hit in the spring of 1970 by a Teamsters *Union* strike that lowered second-quarter sales and earnings, this year are benefiting from not one but two labour disputes. The first was this summer's month-long rail etrike, and the second is the *Pacific* Coast dock strike, still lingering painfully on since it began on July 1, and effectively tying up cargo at California, Hawaii, Oregon and State of Washington *barbours*.

All of the trucking companies serving the western U.S., and most of those in other parts of the country, reported during tha railroad etrike they had more business then they could handle, leasing other trucks and hiring additional drivers to maet demand. The new business came at a time when many of the larger trucking *companies ere making inroads* into eir freight forwarding, more end more of them winning approval of the Federal Civil Aeronautics Board ot start up such operations or acquire existing ones.

Trucking as an industry seems now only to be gaining investmeot recognition, points out Drexel Firestone, a Philedelphia investmeot *firm. Until lately* the industry "was relatively unappreciated in view of its size as ona of America'e largest industries. Its impact on the nation's economy, its growth record, and most particularly, tha impressive earnings and revenue records of some of the investor-owned carriers."

Publicly-owned trucking compenies in recent years have undergone changes in management, finances and their ability to maintain ebove everage rates of growth in both revenues and *earnings*, improvements thet "went largely unnoticed," Drexel *Firestone* adds.

Paine Webber Jackson and Curtis, major Wall Street securities firm, also has a current research report detailing the growth potentiel of the trucking industry. It notes too thet the general public has generally overlooked the expansion of the trucking business, more aware of such transportation developments during the decade of tha 1960s as the "*virtual demise*" of America'e railroad passenger service, the more than tripling of air passenger travel and the 45 per cent. gain in private car use.

Just as aignificant, though less noticeable, were the changes in freight transportation, with *most* of the less than car-load or package, freight being embargoed by the railroads and shifting to trucking companies. Keeping step with the new business being hauled in by trucking companies was construction of the U.S. Interstete Highway System, which had just got underway in 1960, bot 10 years and *$42,500m.* later was 74 per cent. completed. Final completion is now set for 1977.

The trucking industry and all of its components came out of the 1960s "as by far the largest factor in U.S. transportation," declares Paine Wabber. Estimated gross revenues for the industry were $62,500m., a 94 per cent. increase in 10 years, a gain that was five *times* that of the railroad industry and seven times that of all U.S. airlines. Tha trucking industry still is "highly fragmented," concedes tha brokerage firm, and much of it remains privately beld. But consolidatioo and expanded ownership "proceeded apace" in the 1960s and is expected to accelerate in the 1970s.

"We believe that astute investors *seeking* capital appreciation will find ownership in the shares of well-managed companies which have established leadership in this vital, growing industry rewarding," says Paine Webber. "Earnings of 13 larger publicly-owned trucking companies increased 42.5 per cent. in the first quarter of 1971 over 1970, despite disappointing volume. The outlook *is for improving traffic and* earnings throughoot 1971 and 1972 as the economy recovers from the 1969-70 recession," tha firm comments, a bullish outlook reported even before the nationwide railroad and West Coast dock strikes were called.

"In the improving economic climate, we foresee for 1971 and particularly 1972," says Drexel Firestone, "we expect trucking revenues to increase at above average rates. Our confidence in the outlook for freight rate increases, combinad with two years of labour stability (the national Teamster contract expires in mid-1973), lead us to expect that these revenue *gains* will be translated into superior earnings. Opportunities also exist in this highly fragmented industry for growth through merger and consolidation."

While the majority of the trucking industry continues to be privately-held, the public companies generally are the larger and more profitable ones. At the *end of* 1960, there were 30 publicly-owned trucking companies with 26.1m. shares outstanding, reports Paine Webber. Only two of the companies were listed on a national stock exchange and the average total market value that year was $302.3m. By the end of 1970, however, there were 34 publicly-held companies, 12 of them listed on the New York or American stock exchanges. Shares outstanding had grown to 65.8m., up 152 per cent., and average total market value stood at $1,040m., a 243 per cent. hike.

Drexel Firestone recommends five selected trucking companies: Consolidated Freightways, for which it estimates 1971 net per share equal to $2.55 and $3.20 in 1972; McLean Trucking, looking for $4.30 a share this year and $5 next year; Roadway Express, an over-the-counter company that earned tha equivalent of $1.90 a share in 1970 and which should nat $2.65 in 1971 and $3.05 in 1972; Transcon Lines, $1.30 in 1971 and $1.75 *in* 1972; and Yellow Freight System, also an unlisted company, whose 1971 earnings ebould rise to $2.70 this year and $3.20 next year, up from $2.05 in 1970.

Another Wall Street securities firm, Hornblower and Weeks Hemphill, Noyes, has come out with a special research report on Overnite Trucking, estimated per share earnings equal to $4.50-4.71 this year and $5-$5.25 in 1972, up sharply from the $2.56 netted in 1970.

SELECTED EURODOLLAR BOND PRICES
MID-DAY INDICATIONS

	Bid	Offer
Straight		
Atlas Copco 8¾pc 1985	100½	101½
ASEA 8½pc 1986	92½	93½
Beecham 8½pc 1986	92½	93½
Borregaard 8¾pc 1986	94	95
Conoco 8pc 1986	92	93
Conoco 9¼pc 1985	100½	101½
Courtaulds 9½pc 1985	99	100
Denmark 9pc 1982	99½	100½
Esso 8pc 1986	94½	95½
Esso 9pc 1985	101½	102½
General Mills 8pc 1986	92½	93½
GUS 8½pc 1986	92½	93½
Hambros 9¼pc 1985	101½	102½
Hamersley 9¼pc 1985	99½	100½
ICI 6½pc 1982	82½	83½
Ireland 9¼pc 1980	90½	91½
ISEC 9pc 1985	99	100
Massey Ferguson 9pc 1982	99½	100½
Monsanto 8½pc 1986	97½	98½
Mt. Bk. Finland 9¼pc 1986	91½	92½
Occidental 9¼pc 1982	95	97

	Bid	Offer
Oslo 8½pc 1986	92	93
Olivetti 9¼pc 1985	100½	101½
Ontario Hydro 8½pc 1986	93½	94½
Philips 6½pc 1976	95½	96½
Quebec Hydro 8½pc 1986	92½	93½
Transocean Gulf 8pc 1986	92½	93½
Notes		
Cabot 8¼pc 1975	99	100
Ericsson 8½pc 1975	99½	100½
Esso 7½pc 1978	94	95
Esso 8½pc 1975	99½	100½
Gatx Oswego 8½pc 1977	95	96
Hawker 9pc 1975	99½	100½
Nippon Petr. 7½pc 1973	98	99
Oslo 9pc 1975	101	102
Transocean Gulf 8½pc 1975	100½	101½
Source: White Weld Securities.		
Convertibles		
American Can 4½pc 1988	77	78
American Brands 5½pc 1988	121½	123
Amoco 5½pc 1984	98½	99½
Beatrice 7½pc 1990	119½	120½

	Bid	Offer
Borden 6½pc 1991	105	106
Chrysler 5pc 1988	72½	73½
Continental Tel. 5½pc 1988	88½	89½
Eastman Kodak 4½pc 1988	100½	101½
Equity Funding 5½pc 1989	89	90
Firestone 5pc 1988	101½	102½
Ford 6pc 1986	111	112
Fuji Photo Film 6½pc 1985	140	[illegible]
Honeywell 6pc 1988	114	[illegible]
Kinney 6½pc 1990	114½	[illegible]
Komatsu 6½pc 1984	92	94
Michelin 6pc 1985	105	106½
Murphy 5pc 1989	84½	85½
Owens Illinois 5pc 1977	100	101
Pepsico 4½pc 1981	131	132½
Rand Selection 6½pc 1985	96½	98
Revlon 4½pc 1988	108	109
RCA 5pc 1988	92	93
Texaco 4½pc 1988	89	90
20th Century Fox 5pc 1987	53	54
Union Carbide 4½pc 1985	87½	88½
Source: Kidder, Peabody Securities.		

IN BRIEF

Europe

● *SULZER BROTHERS, of Winter*thur, and Maschinenfabrik Augsburg Nnernberg (MAN), plan to co-operate in the fields of diesel engine researcb, development and construction. They will pool information and R and D for the development of two- end four-stroke diesel engines for marine end stetionary uee, to offer diesel engine range of up to 48,000 h.p. capecities.

● SOCIETE INTERNATIONAL PIRELLI reported net profit for tha year ended June 30 of Sw.Frs.26.62m., up from Sw.Frs.24.14m. e year eerlier. An uncbanged dividend of Sw.Frs.12 per share was declared.

● EUROPEAN INVESTMENT BANK is, from September 15 to 20, to floet Sw.Frs.80m. debeoture *loan in* Switzerland. Loan, first Swiss issue of benk, will have 15-year life end 6.5 per cent. coupon, with issue price of par.

● HASLER HOLDING, of Berne, *holding company of Hasler* electricel engineering and telecommunications group, recommeods payment for business year, 1970-1971, of increased dividend of Sw.Frs.45 (44) per share of Sw.Frs.500 nominal value and Sw.Frs.0 (8.80) per share of Sw.Frs.100 nominal value following 10 per cent. rise in net profits from Sw.Frs.3.17m. to Sd.Frs.3.48m. Group turnover in*creased 12* per cent. over *year* to Sw.Frs.283.4m. and value of orders received by 14 per cent. to Sw.Frs.342m. Since last year, company increased its capital from Sw.Frs.33m. to Sw.Frs.36.3m.

● KUEBEL, holding company of German furniture group, Kuebel (3K), doubled its capital from DM10m. to DM20m. Bensheim-based company has simultaneously increased sbare capitals of its subsidiaries. Gross group turnover *rose* last year by 16 per cent. to DM200.3m.

● BANQUE EUROPEENNE *D'INVESTISSEMENTS will* lend Fr.139m. to Solmer, Frencb steel group, which will operate planned new steel complex et Fos, for wbich total investments from now until 1980 are estimated at Fr. 11,000m.

● BANQUE DE BRUXELLES formed a subsidiary in Geneva, Banque de Bruxelles (Suisse), which plans shortly to start operations.

North America

● LITTON INDUSTRIES' net earnings fell to $13.8m. (equal to 36 cents per diluted share) in fourth quarter, ended July 31, from $15.6m. (42 cents) on sales increased to $681m. from $666m. Net *earnings* for year declined to $50m. (*$1.30* per diluted *share*) from $68.8m. ($1.85) on higher sales of $2,466m., egainst $2,404m.

● JOHNS-MANVILLE CORP. ecquired 75 per cent. controlling interest in Schuller companies of West Germany for sum exceeding $10m. Schuller has two divisions—Glesswerke Schuller, of Wertheim/Main, aod Schuller K.G., of Munich and Wertheim.

● GENERAL FOODS acquired for casb ell outstanding shares of N. V. Chlorodont Compagnie and Maple Leaf Chewing Gnm Manufecturers, West Germany.

● ALLIED CHEMICAL has filed a registration for $100m. of 25-year debeotures with the SEC. The debentures are expected to be offered later this month through underwriters beaded by Lazard Freres, Lehman Brothers and Loeb Rhoedes.

Others

● *BROKEN HILL PROPRIETARY* said that on preseot indications its net profit for year ending May 31, 1972, will be higher than last year's $A68.5m. Company stressed however, that proposed share issue, announced on August 20, will oot increase funds available for future dividends, but will serve to finance expansion and development. For last year, it paid a total of 13⅓ per cent. *Cbairman Ian McLennan* told annuel meeting slackness on foreign steel markets is having little effect on BHP production, whicb is still inadequate to satisfy domestic demand in some categories.

● COMMERCIAL UNION INSURANCE CO. OF AUSTRALIA declared final dividend of 9 per cent., making 13 per cent. (sama) for year to June 30. Consolidated net profit rose to $A2.618m. from $A2.364m.

● ELDER SMITH GOLDSBROUGH MORT announced 31 per cent. drop in net profit for year ended June 30 to $A4m. from $A5.8m. year ago. Dividend cut to 10.5 per cent. from 12 per cent. with final of 5.5 per cent., against 7 per cent. Total of $A1.2m. wes written off in bad debts, reflecting sharp decline in rural industry.

● NIPPON SHEET GLASS CO. said its previously announced joint venture in Maleysia with *Toyo Meoka Kaisbe* and *Malaysien* businessman Ng Hong Heng will be capitalised at about Yen 1,440m. New concern, tentatively nemed Malaysia Glass Berhad, will he owned 44 per cent. by Nippon Sheet Glass, 5 per cent. by Toyo Menka, and 51 per ceot. by Malaysian interests.

COMPANY NEWS

British Enkalon ahead

PRE-TAX profit of British Enkalon, tha Dutch-controlled man-mede fibre producer, for the six months to June 30, has increased from £1,274,000 to £1,530,000. Sales rose from £7.85m. to £12.47m.

Chairman, Colooel F. T. Davies, confirms the July forecast of £2,927,000 adjusted profit for the full year 1971. For 1870 tbe dividend was 12 per cent. and at least maintenance of that rete has been foreshedowed on capital increased by the July one-for-six rigbts issue.

Colonel Davies comments that the better profits reflect increased capecity at Antrim and the growth in demand for products. *He says the company is constantly* working to improve efficiency to offset as far as possible the effects of recent increases in salaries and wegee and other inletionary *costs.*

Efforts are being made to improve margins, which are under pressure in all product groupe, but perticularly in nylon textila and *carpet yarns.*

He reports that compared with the previous balf year sales of the company's own production increased by 41 per cent.

Colonel Devies stresses that "It is impossible to assess the effect on tbe company of the recent maesuree taken by the U.S. Government end the present internetional economic and monetary uncertainty."

The profit forecast is mede subject to there being no material change in trading conditions or unexpected increases in costs.

	Six months	
	1971	1970
	£000	£000
Sales	12,473	7,847
Trading profit*	1,766	1,562
Less interest	236	288
Profit	1,530	1,274
Taxation	673	554
Net profit	857	720

* After depreciation £766,000 (£537,000). Comparative figures for 1970 adjusted to equate the annual tax charge between the two half-years.

BOARD MEETINGS

TO-DAY

Interims—Baxter Fell, †Bentalls, British Petroleum, Cuthbert (R. and G.), Gibbons Dudley, Mackay (Hugh), Marshall (Thos.), Mentmore Manufacturing, Nairn and Williamson, North Eastern Timber, *Pearson Longman, Pennine Motor Group*, Reeves (F. J.), Southampton IOW and South of England Steam, Temple Bar Investment Trust, Wolstenholme Bronze.

Finals—Aqua Securities, Bank and Commercial, Customagic, Felixstowe Dock and Railway, Jooeraig, Keith and Henderson, Kinta Kellas Rubber, Kinta Kellas Tin, Minster Assets, Prestwich Parker, Tor Investment, Wiggins (C. S.).

FUTURE DATES

Interims—	
Appleyard Group	Oct. 14
Bodycote Holdings	Sept. 15
City and Country Properties	Sept. 14
Oulton-Forshaw	Sept. 13
Nurdin and Peacock	Sept. 14
Portals Holdings	Sept. 14
Ruberoid	Sept. 20
United Biscuits	Sept. 23
Finals—	
Brotherhood (Peter)	Sept. 14
Craig Tea Estates	Sept. 15
EMI	Oct. 7
Panawatte Tea and Rbr. Ests.	Sept. 15
Park Cake Bakeries	Sept. 13

† Figures only.

1¼% cut by Frank Mason

A cut in the dividend from 3¾ per cent. to 2½ per cent. is eonounced by edvertising contractors, Frank Mason and Co., for the year ended Marcb 31, 1971.

Group pre-tax declined to £52,321, compared with £59,064.

	1970/71	1969/70
	£	£
Trading profit	42,674	41,330
Profit on investments	551	—
Making	43,225	41,330
Deferred repairs reserve	9,066	—
Capital profit*	—	24,059
Off shares in sub.	—	5,325
Profit	52,321	59,064
Taxation	26,234	28,491
Net profit	26,087	30,573
Brought in	137,940	129,538
From reserve	—	6,030
Available	164,027	166,141
Retained subs.	120,158	118,067
Balance	43,869	48,074
To tax equal reserve	5,000	5,000
Pref. dividend	15,000	15,000
Ordinary	7,500	11,250
Forward	16,369	16,824

* *On sale of freehold property.*

F. Sumner interim

An increase in group profit, before tax, from £122,676 to £155,814 is reported by Francis Sumner (Holdings) for the six months to June 30, 1971. Tha figure for *all* of 1970 was £351,794.

Against last year's equivalent single payment of 7.27 per cent., an intarim of 3 per cent. is declared.

Tax takes £50,000 (£41,000), leaving the net profit for the half year ahead at £135,814 against £81,676.

Figures do not include profits arising on sale of plant during the 1871 six months amounting to £18,283.

Sales to the end of August are slightly up on last year and all companies in tbe group ere ready to take increasing advantage of the "hoped for upswing in the economy."

The Board reports that the expansion programme of the double knitted jersey division is progressing satisfactorily: Production will start durlog the last quarter of tbe year and it is envisaged this will make its mark on tha 1972 profits.

Darjeeling pays 1% more

Raporting pre-tax profits up from £80,361 to £93,947 for 1970, directore of Darjeeling Company (tea planters) are raising the dividend from 8 per cent. to 10 per cent.

After tax of £37,350 (£35,800) the year'e net profit is £56,597 egainst £44,561. An amount of £15,000 (£8,000) is transferred to general reserve.

Lieut.-Col. F. W. S. Roberts bas resigned as chairman. Mr. R. L. Hards, who is managing director, hes been appointed chairman.

STONE-DRI SALES UP

At the meeting of *Stone-Dri*, chairman Mr. J. Stone announced that since publication of the report and accounts referring to an increase in turnover for the first 20 weeks of this year of 20.4 per cent., the latest position sbowed that turnover for the first 30 weeks bad now increased to 23.8 per cent.

This, he said, indicated a "very encouraging" position for the current year.

In the year January 28, 1971, there was a loss of £1,092 from turnover of £2.36m. The group operates as retailers and manufacturers of outerwear.

W. H. Paul improves: pays 12½%

Profit before exceptional items of W. H. Paul improved from £27,545 to £106,507 in the year to March 31, 1971, and a dividend of 12½ per cent. is declared—the first eince the 5 per cent. interim in respect of 1968-69.

The dividend is recommended in view of the substantially improved trading results and in expectation that profits of the current year *will enable the rate to be main*tained. As in previous years Mr. W. H. Paul has waived entitlement to his dividend.

After consultant fees £5,923 (nil) and Rolls-Royce provision of 100 per cent. of amount outstanding £95,734 (nil), the net profit is £4,850 (£12,545 after tax £15,000).

In the light of reported developmente in the RB211 effair, the directors *believe it not unreason*eble to expect a substantiel payment on eccount of the RR debt. Any payments received for the debt ontstanding et March 31, 1971, will be added to profits of the period in which they are received.

The company manufactures stainless steel sinks, kitchen cabinets, etc.

Oliver Pell profit rise and 5% extra

Designers and manufacturers of electromagnetic components, *Oliver Pell Control, is raising its* final dividend from 12½ per cent. to 15 per cent., which steps up the total from 20 per cent. to 25 per cent. for the year ended March 31, 1971.

Following the increase from £21,500 to £31,662 at halfway, the group's pre-tax profit for the year is higher at £144,474 compared with £108,945.

Tax takes £60,000 (£49,601) leaving a oet profit of £84,474 against £59,344.

RANK TELEVISION

Rank Television and General Trust proposes to repay the 6½ per cent. dabenture stock 1979-84 at par on or before October 28, 1971. A meeting of bolders is to be beld on October 7 to empower the company to make early repayment.

Better position at Turriff this year

WITH MAJOR problems largely over and being "meticulous" in the choica of commitments to minimise future risks, Mr. W. G. Turriff, chairman of Turriff Construction Corporation, is confideot it should oot be too long before a profit level usefully above that of recent years can be achieved, provided the level of capitel investment in the U.K. particularly comes out of the doldrums.

However, this turoround will not come about in the current year, although e "better position can certainly be anticipated." Also the liquid position will improve.

During 1970 and in previous years major metters have imposed "very heavy hurdens" on financial and management resources and eeriously effected profitability.

After providing for exceptionel provisione and losses of £965,114, there was e group deficit of £392,328 in 1970 (profit £317,617). Turnover amounted to £21.09m. (£21.75m.). As reported August 24, there is no Ordinary dividend (18 per cent.).

The auditors' report is qualified in reepect of the Berbican and Suden metters, yet to be settled.

As regards the Berbican contract, Mr. Turriff tells members that the gap between the velue *of work certified for payment by* clients' consultante and thet applied for by group consultsnts hed grown to £5,207,478 by December 31, 1970, requiring provieion to be made egeinst profits in the year of £686,040.

Finally, directors were compelled to inform the client thet if there was no acceptance of proposals by August 20, 1971, the group would have "no alternetive hut to take their conduct as a repudiation of the contract." No such acceptance was received end plens are in motion for an early phesed withdrawal from site.

Commenting on the Twickenham project, the chairman says thet this was "plegued by militant influences, causing serious disruption end prolonged strikes." Agreement has been reeched with the client in full and final settlement which has resulted in a total overall loss of £830,094 being absorbed of whicb £168,646 was ettributable to 1970.

No payment bas yet been mede by the Sudan Government under the Arbitretion Award amounting to £6.186m. plus costs made in April, 1970, in fevour of Turriff (Sudan)—50 per cent. owned by the Corporation. Part was covered by insurance and part payment has heen made by the company's insurers. Until thie debt is discharged it is not possibla to quantify the surplus whicb would eccrue to the Corporation.

The group is teking en increasing interest in property development to obtain e better return from its design and huilding resources and also to reduca the "riske and frustretions" of traditional building contracts. *Currently* thera ere schemes in being in the U.K., Oenmark and Belgium.

Meeting, Leamington Spa, September 30 at 11.30 am.

H. Samuel

ANNOUNCING RECORDS in both turnover and profit for the first belf year, the directors of H. Samoel anticipate a full year's profit in excess of the £2,043,541, pre-tax, achieved in the year to January 31, 1971.

First balf profit increased from £310,000 to £343,000. The net figure wes £206,000 (£183,000) after tax of £137,000 (£127,000).

The directors point out that the earnings in the first half bear little relation to those of the full year in whicb the second half Includes the important Christmas period.

They intend to declare an unchanged interim dividend in January of 4 per cent. The 1970-1971 total wee 15½ per cent.

The business is that of jewellers end silversmiths.

AGB Research sees another record year

The outlook of AGB *Research* is expansive as well as acquisitive and major parts of the business are buoyant, reports the chairman, Mr. W. F. M. Meddan.

The Boerd is confident thet 1971-72 will ba another year of record results.

As reported on August 17, group pre-tax profit for the year to April 30, 1971, increased from £243,303 to £300,685. The dividend is 31 per cent. against a forecast 27 per ceot., on capital increased by a one-for-ten scrip issue and a further one-for-ten scrip is also proposed.

Tha group went public in January 1970. The previous payment was a single 16 per cent.

Through its links with European market research companies on tha continent which are fellow members of Europanel, the group is able to provide both continuous and ad boc research throughout Western Europe as a whole. The group is "ready and eager" to take advantage of the further opportunities which British membership of the enlarged European Community will bring.

The group has a strong positive cash flow and this enables it to pursue a policy of acquisition in the field of market research and other service businesses, says the chairman.

Principal activities of the group are in consumer market research and printing and publishing reports. Meeting, 40, Broadway, S.W., October 4 at noon.

INTERIM STATEMENT

B&I NATHAN LIMITED

Interim Results

Profit: £88,000 (£52,000)

Dividend: 8% (5%)

"Continued Progress Expected"

THE SECOND ALLIANCE TRUST COMPANY LIMITED

Benefits of major policy change

The following are extracts from the Statement by the Chairman, Mr. David F. McCurrach, circulated with the Annual Report for the year to 31st July 1971.

EARNINGS AND DIVIDENDS

Our total Revenue for the year is up by £35,000 at £1,490,000. Our big switch into gilt-edged from equities during the two previous years is now fully reflected in a rise of £84,000 in Interest Income. On the other hand the equity sales have resulted in Dividend Income down by *£49,000* despite higher *dividend declarations totalling £44,000 on our reduced portfolio* and after suffering the *loss of £17,000* due to the incidence of dividend collections at the year end. Corporation Tax is almost unchanged despite higher unfraoked income due to the lower rate. Our Revenue after Taxation is thus £40,000 bigher at £1,072,000. The earnings which we now report without any Transitional Relief emerge at 5.40p against 5.19p as noted on the same basis last year. In the light of these results your Directors now propose a Fiael Dividend of 3.25p *making a total of 5.125p against 5p.* Your Board intend to round up next year'e Interim Dividend to 2p against 1.875p but this increase carries no implication for the year's total.

VALUATION OF INVESTMENTS

Last year I reported that, by a *major policy change over the two previous years*, we had reduced the equity proportion of our investments from *91.2% to 74.5%* in 1970 and pointed to the resulting saving of over £1¼m. in the company's own valuation as against the average movements of the F.T.A. and S. & P. indices. Although this defensive starting position has deprived us of the full fruits of the recoveries in equity markets, it has protected us against possible deeper losses—markets have several times seemed close to the brink of new calamity—and we have gradually restored our U.K. and other non-U.S. equities from 39.9% to 49.2% of the total fund, actually rather above our normal in recent years, wbile reducing the Gilt-Edged and Deposit proportion from 19.6% to 11.5%.

In consequence, despite the Fixed Interest content and due to the composition of our equity portfolio, our net assets have risen in value almost exactly in line with the average rise of 28% in equities as reflected in the F.T.A. 621 (plus 38%) and S. & P. 500 adjusted for Dollar Premium (plus 18%). We *have thus been able to maintain* the wbole of *last year's* advantage. I would stress that in making this comparison we are using indices which are both more representative and much more exacting than the populerly quoted everages covering only a limited range of often untypical market leaders. Over the year the Financial Times Industrial index rose by only 15%.

We bave not bowever reinvested in U.S. equities which remain relatively low at 35% of our fund. Quite apart from the obscure future of the Dollar Premium, the U.S. economy has seemed to us never to have got out of the wood. Shrinking from a crisis of liquidity a year ago, the U.S. authorities sought to reflate before having quelled inflation. As a result, neither policy worked. Inflation has persisted; recovery has been hesitant; unemployment remains high; uncompetitive U.S. prices have produced a uniquely bad trade and payments balance and a weak dollar; and the recent astonishing expansion in the money supply associated with the large and rising budget deficit has bid fair to keep inflation going. It is too early to assess the effects *of the drastic actions taken* by President Nixon, although they must he at least a temporary internal stimulant. But they mark a tragic threat to co-operative international economic liberalism and they have a familiar look to Britons inured to the vagaries of "stop-go". In this country, curative policies were carried to a more painful extreme and there may be both more scope for reversal and more hope of success, particularly in the light of our assumed entry into the Common Market. And our entry, however it may effect us immediately, unquestionably adds a new dimension of strength to Europe in relation to the United States. All this may have been quite properly foreshadowed in a stroog pound and a weak dollar; we are in fact confronted with ebbing of the economic dominance of the United States.

OUTLOOK

Despite the massive doubts overhanging Britain and the United States there seems to be fairly wide agreement alike that profits are likely to rise and that real recovery when it comes must be "consumer led". Without necessarily subscribing to the former view I would rely on the overwhelming weighting of our portfolio towards consumer goods and services—only 6½% of our funds are in heavy industrial or cyclical securities—to continue the regular growth in our Dividend collections.

27th August 1971.

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Youth an asset of Japan's fleet

BY JAMES McDONALD, SHIPPING CORRESPONDENT

A REMINDER of the strength and youth of the Japanese merchant fleet—often overlooked because of Japan's better-known predominance in the shipbuilding field—was given yesterday by Mr. Marshall Meek, a director and chief naval architect of Ocean Fleets, a member of the Ocean Steam Ship group.

Japan, in a dynamic expansion since 1950 when its merchant fleet totalled only 2m. gross tons, had reached 27m. gross tons in 1970, surpassing the British merchant fleet total of 25.8m. tons and second now only to Liberia in the "world tonnage table."

Rapid growth

Mr. Meek, speaking at a seminar on Japanese shipbuilding and shipping at the University of Strathclyde, Glasgow, pointed out that, because of the rapid growth within 20 years, Japan's fleet was remarkably young with over 58 per cent. of its tonnage less than four years old, compared with 35 per cent. of the world's fleets in the same age group.

"Even with this fleet," he stated, "the Japanese carry only 8 per cent. of their exports and 5 per cent. of their import trade. Describing the organisation of the Japanese shipping industry, Mr. Meek said about 60 per cent. of the fleet comprised dry-cargo ships of every type, and the remaining 40 per cent. was in the tanker category.

Of the 250 members of the Japanese Shipowners' Association, there were 34 owning more than 100,000 gross tons, and within these 34 were the "Big Six"—Nippon Yusen Kaisha, Mitsui OSK Lines, Kawasaki Kisen Kaisha, Japan Line, Yamashita-Shinnihon Steamship, and Showa Shipping.

Although several Japanese shipowners were linked with large groups of companies, including shipbuilders within the groups, there was no interchange of personnel or capital between them, and no integrated management.

On the personnel side, Mr. Meek said it was a "staggering fact" that in the Big Six companies, about 40 to 50 per cent. of the total employees in the offices were university graduates, "and all new male employees are university graduates." However, the number of technical graduates is small compared with the others."

In spite of their present large merchant fleet, Japanese shipowners had a large order book for new vessels under the current 25th shipbuilding programme.

Plea for more investment

BY DAVID WALKER

A PLEA to industry not to delay capital investment is made in the latest issue of the Confederation of British Industry Review, published yesterday, by Sir Hugh Weeks, chairman of Leopold Joseph and Sons.

Short-term considerations, he writes, could mean an additional period of standstill while business evaluates the success of the CBI price pegging initiative in leading to a lower level of wage settlements.

"It may well be true that, in the short run, until the policy seems to work and there is confidence in expansion, there could even be further delay in investment decisions.

"There are times when the short run must be sacrificed in the interest of the long" he declares.

Referring to criticism of the July mini-Budget as encouraging consumption rather than investment, Sir Hugh asks whether it is possible to devise a system by which investment expands with no assurance about future demand.

"We have to accept the fact that the expectation of demand is the prime factor and the supporting methods of tax remission and cheap money are of little value without industrial confidence in the future," he observes.

With British entry to the European Economic Community, he points out, "massive investment" will be necessary by those companies doing well to allow them "to take quick and effective advantage of the successive freedoms to trade."

INTERIM STATEMENTS

British Enkalon Ltd.

INTERIM FINANCIAL REPORT

The Board of Directors of British Enkalon Limited announce the following unaudited figures of the trading results of the Group for the first half of 1971 with the comparative figures for 1970.

	1971 Six months to 30th June £000	1970 Six months to 30th June £000	Increase on first six months 1970 %	1970 Six months to 31st Dec. £000
Sales	12,473	7,847	59	10,116
Trading Profit	1,766	1,562		1,793
Less Interest	236	288		290
Profit before Taxation	1,530	1,274	20	1,503
Less Taxation	673	554		654
Profit after Taxation	857	720	19	849
Depreciation charged in arriving at the Trading Profit	766	537		690

The comparative figures for 1970 have been adjusted to equate the annual taxation charge between the two half years.

STATEMENT BY THE CHAIRMAN: COL. F. T. DAVIES

Net profit after taxation for the six months ended 30th June, 1971 amounted to £857,000 (compared with £720,000 for the six months to 30th June, 1970) an increase of 19%.

The increased profits reflect increased capacity at Antrim and the growth in demand for the Company's products. The Company is constantly working to improve efficiency to offset as far as possible the effects of recent increases in salaries and wages, and other inflationary costs. Efforts are being made to improve margins which are under pressure in all product groups, but particularly in nylon textile and carpet yarns.

Compared with the corresponding period of the preceding year, turnover has increased by 59%, whereas sales of the Company's own production have increased by 41%.

It is impossible to assess the effect on the Company of the recent measures taken by the United States Government and the present international economic and monetary uncertainty. However, subject to there being no material change in trading conditions or unexpected increases in costs, our Directors expect that profit before taxation for the current year will, as stated in the circular letter in connection with the Company's recent rights issue, be not less than £2,927,000.

Enkalon® TERLENKA Diolen Enkacrepe

"The Directors of The Provident Clothing & Supply Company Limited report increased turnover, profits and dividend for the first half of the financial year ending 31st December, 1971.

The interim dividend is being increased from 8½% to 10%. This, in part, reflects an adjustment to bring the interims more into line with final dividends.

The second half-year is traditionally the more important trading period for the Company and, to date, is showing continued satisfactory progress. In the absence of any unforeseen change in the current pattern of trading conditions the Directors are confident that the full year's profits will exceed those of last year."

First half-year	1971	1970
Group Profit before tax	£1,645,000	£1,438,000
Taxation (estimated)	£ 688,000	£ 613,000
Net Profit after tax	£ 957,000	£ 825,000

THE PROVIDENT CLOTHING & SUPPLY COMPANY LIMITED
Head Office: COLONNADE, BRADFORD, 1

PROVIDENT

APPOINTMENTS

Lord Netherthorpe on Unigate Board

Lord Netherthorpe has joined the Board of UNIGATE as a non-executive director. He is chairman of Fisons and a director of Abbey National Building Society, Lloyds Bank, Rank Group Holdings, Richard Costain, and Steetley Company.

Lord Netherthorpe

Mr. Gordon Ingle, formerly general manager of Bowater Packaging, Gillingham, has been appointed director and general manager of EAST and BAKER.

*

Mr. Anthony Poot has been appointed general manager of ADA (HALIFAX). He will join the Board shortly after the annual meeting on September 14. Mr. Poot was formerly chairman of Philips' subsidiaries in East Africa.

*

Mr. Peter W. Schofield, a main Board director of GREENALL WHITLEY AND CO., has been appointed to the newly-created post of group production development director. Mr. David H. Griffith, a main Board director, who was previously general manager of St. Helens Brewery, takes over from Mr. Schofield as general manager of Wilderspool Brewery. Mr. R. K. Pigot becomes general manager of St. Helens Brewery where he was previously sales manager.

*

Mr. D. P. Murphy, a partner in Dennis Murphy Campbell and Co., stockbrokers, has been appointed a director of the SCOTTISH TEA AND RUBBER TRUST COMPANY.

*

Mr. D. D. Brown has joined the P & O GROUP as director of international relations, in succession to Mr. T. F. Bird, who will shortly be reaching retirement age

*

Mr. Graham R. Bish has joined FORMICA INTERNATIONAL as director of manufacturing.

*

Mr. P. G. Walker has been appointed to the Boards of CHAPMAN AND CO. (BALHAM) and its subsidiaries the New Waterside Paper Mill and Chapman and Co. Engineers (Balham). He is chairman and chief executive of Philblack and chairman of Sun Life Assurance Society.

*

Mr. John Dugdale has been appointed chairman of the TELFORD DEVELOPMENT CORPORATION following the resignation of Sir Frank Price. The appointment is from September 15.

*

Mr. P. C. Ballard has been appointed to the Board of the TETLEY TEA COMPANY as financial director. Mr. R. P. Holmes has resigned from the Board and is returning to the U.S. as controller of the Beech-Nut International Division. Mr. M. D. McIntosh has also been appointed as production director.

*

Mr. D. M. N. Greensmith has been appointed to take charge of the International Division of the BANK OF N. T. BUTTERFIELD AND SON, Bermuda. He has also been appointed, with Mr. G. B. Clinch, as joint managing director of N. T. BUTTERFIELD AND SON (BERMUDA), the U.K. subsidiary.

*

Mr. Philip Shelbourne has been appointed a director of the SECOND CONSOLIDATED TRUST. Mr. M. Ellison Rich has resigned as a director because of his increasing commitments in connection with Consolidated Gold Fields.

Midland Bank Board posts

Mr. E. J. Callard, chairman of Imperial Chemical Industries, and Mr. Angus Ogilvy have been appointed to the Board of MIDLAND BANK.

*

Mr. Callard joined ICI in 1938, and was appointed a director in 1964. He became chairman in April of this year.

Mr. Ogilvy's directorships include Guardian Royal Exchange Assurance, Lonrho, Metropolitan Estate and Property Corporation and the Rank Organisation.

*

Mr. Richard D. Hill has been elected chairman of the Board and chairman of the executive committee of the FIRST NATIONAL BOSTON CORPORATION and will serve as chief executive officer. Mr. William L. Brown has become president, and Mr. George E. Phalen, executive vice-president. Mr. Roger C. Damon, currently chairman of the Board, will continue as a director.

Mr. Hill has also been elected chairman of the Board and chairman of the executive committee of the FIRST NATIONAL BANK OF BOSTON and will be its chief executive officer. Mr. Brown has been appointed president and Mr. Damon, who has been chairman of the Board since 1966, will continue as a director and a member of the Trust Committee.

*

Mr. W. Griffin Burnett, vice-president of the CHASE MANHATTAN BANK NA has been appointed regional coordinator of the bank in the U.K., the Republic of Ireland, the Channel Islands and Scandinavia. He will also be general manager of Chase's facilities in the U.K. Mr. Burnett, who has been district executive responsible for the bank's business in the south eastern U.S., will now reside in London.

*

Sir Ronald Thornton has resigned from the Board of UNITED DOMINIONS TRUST on reaching retirement age.

*

Mr. Henry Humphreys has been appointed a managing director of AUDLEY PROPERTIES, the principal property company in the Bovis group. He will have overall responsibility for the expansion of Bovis Property interests in Europe. Mr. Ernest Mothews, previously managing director of Audley Properties has resigned his post and will be leaving the company.

COMPANY NEWS

Associated Dairies 4.4% extra and scrip

GROUP PROFITS, before tax, up by over £1.1m. for the year to May 1, 1971, a 4.4 per cent. increase in the dividend total, and a further one-for-four scrip issue, is the package announced by Associated Dairies.

The pre-tax balance increased from £1,719,182 to £2,879,867, after showing a rise of £550,369 to £1,320,467 at the halfway stage.

Credit has been taken for retrospective rebates in respect of milk processing and distribution allowances of £105,179 (£53,731). Depreciation charged was £586,094 (£447,107) after crediting proportion of investment grants received.

Deducting tax of £1,195,549 (£749,053) left the year's net profit up from £970,129 to £1,684,318, with a balance attributable of £1,633,000, against £922,072.

The final dividend is 8 per cent., making 14 per cent. Adjusting for last year's one-for-four scrip, the equivalent previous total was 9.6 per cent.

	1970-71 £	1969-70 £
Net profit	1,684,318	970,129
Tax charged	1,195,549	749,053
Attributable	1,633,000	922,072
Preference dividends	27,479	27,479
Ordinary dividends	495,153	339,536

Border TV doubles dividend

Britain's smallest television company Border Television increased its taxed profits by more than £13,500 last year, but the chairman, Mr. John Burgess, warns holders—"the improvement is welcome but it still falls short of what the Board consider desirable."

Net profit for the year to April 30, 1971, was £20,310 compared with £6,715. A dividend of 10 per cent.—double the previous year's payment—is recommended.

Mr. Burgess says the increased profit is due to an increase in advertising revenue. He adds that unless inflationary wage awards are slowed down small companies like Border would be hardest hit.

Central & District confident

In all the circumstances, the Board of Central and District Properties looks forward to the future with considerable confidence says the chairman, Mr. Edward du Cann.

In addition to benefits arising from running completion of developments, there are also valuable reversions, particularly this year and next, but again there is always a deferment until the first year's full income arises, he points out.

As reported on August 4, pre-tax income for the year to March 31, 1971, was £1.45m. against £1.49m. and the dividend is effectively lifted from 8 per cent. to 9½ per cent.

A geographical analysis of group net assets and income before tax shows U.K. £20.600m. (£21.718m.) and £1.196m. (£1.205m.), respectively; Australia £258,000 (£363,000) and £28,000 (£24,000); Canada £1.076m. (£1.174m.) and £136,000 (£138,000); France £141,000 liabilities (£167,000) and £81,000 loss (£87,000 loss); U.S. £2.330m. assets (£1.704m.) and £172,000 income (£219,000).

Last year the group report noted developments in progress totalling £15m. At the date of the 1970-71 accounts the group had in progress in the U.K. alone developments exceeding £24m. This is a record and the chairman expects all to be completed by the end of 1974.

During the year directors disposed of blocks of flats amounting to £1,035,000 and further sales of £1,358,000 have been made since the end of the financial year—these were all at prices considerably in excess of revaluation figures at March 1969.

In the current year they have changed the policy with regard to remaining blocks of flats so that individual flats are sold instead of disposing of the complete buildings. The figure of £6m. for the value of the remaining flats quoted in September last year has been professionally re-examined and is now expected to exceed £12m. after allowing for expenses and improvements but, receivable over a longer period.

Directors have it in mind to revalue group properties prior to the year ending March 1972.

Meeting, Dorchester Hotel, W., October 1 at noon.

RESULTS AND ACCOUNTS IN BRIEF

BARNAGORE JUTE FACTORY—No Ordinary dividend (same), year to March 31, 1971. Preference dividend paid. Profit £43,908 (£13,720) after tax £3,750 (£1,680) and after transferring £33,607 to development rebate reserve (from general reserve £10,118).

T. F. AND J. H. BRAIME (HOLDINGS) (deep drawn press work specialists)—Interim 5 per cent. (same—total 15 per cent.). Turnover six months to June 30, 1971, £525,298 (£483,091). Pre-tax profit £52,885 (£58,427).

BRITISH ALUMINIUM (controlled by Tube Investments)—Interim 2½ per cent. (same—total was 7½ per cent.) for 1971. Group net sales six months ended June 30, 1971, £30.21m. (£34.31m. and £64.38m. for 1970). Profit before tax £1,341,000 (£2,905,000 and £4,032,000). Net profit £791,000 (£1,806,000 and £2,839,000). Attributable profit—excluding exceptional items of £1,086,000 (£264,000 and £925,000) met from reserves—£765,000 (£1,682,000 and £2,886,000). Net profit included £150,000 (£136,000 and £287,000) from associates. Exceptional items relate to Invergordon Smelter. Up to date all interest charges and all other revenue expenditure relating to the smelter have been charged (less tax relief) as exceptional items. After commencement of production, certain starting-up costs and excess associated costs and a proportion of interest and fixed costs, decreasing as planned production increases, have been charged (less tax relief) as exceptional items. As a result of revaluation of the Swiss Franc in May, 1971 the company incurred a potential additional liability on its outstanding Swiss loans amounting to £886,000, which has been charged against reserves. Profit for the first half is down sharply from the record first half of 1970, but better than the second half of 1970 which was affected by a prolonged strike. World trading conditions for aluminium have become increasingly difficult and are likely to continue so for the remainder of year. In U.K. this has been accentuated by the depressed state of the economy. New smelter at Invergordon was brought into production on time and within budgeted cost on May 1. Operating performance so far has been very satisfactory and half furnaces will be in production this month.

BURMA MINES—No interim dividend (no dividend last year). Loss for half-year to June 30, 1971, £1,919 (profit £4,244). Foreign tax unrelieved £412 (U.K. tax £2,219). Total loss £2,331 (profit retained £2,025). Net asset value per share 6½p (4½p) including full dollar premium but excluding claim against Government of Burma.

Statement Page 33

FINANCE AND INDUSTRIAL TRUST—Results year ended July 31, 1971, reported August 21. Group freehold properties £183,722 (£97,871). Investments £155,049 (£229,156 plus deposit account £80,032). Value £117,580. Current assets £285,874 (£122,687) and liabilities £129,137 (£64,225). Expansion is being sought in the more stable spheres of property and financing property development which it is anticipated will be reflected in current year's earnings. Meeting Great Eastern Hotel, EC Sept 28 at noon.

JAMES GARNAR AND SONS (tanners and leather merchants)—Interim dividend 4 per cent. (same—total 14 per cent.). Group profit, half-year to July 31, 1971, £94,000 (£98,000), less tax £37,000 (£41,000). Six per cent. Preference dividend £2,850 (same), Ordinary interim £12,813 (£12,775). Despite rising costs, profits for the six months have been well maintained and exports continue at a high level, directors state.

HAMPSON INDUSTRIES—Results for year to March 31, 1971 and scrip issue proposal reported August 3. Group turnover £3,238,96- (£2,121,202). Fixed assets £662,135 (£580,257). Net current assets £299,204 (£309,882). Chairman had beneficial interests at year-end in 870,828 Ordinary shares and other interests of 480,000. It is difficult to forecast profit for next year but Board looks forward to the future with confidence and hope to report further satisfactory profits. This, however, is dependent on many things such as strikes, wage demands, and state of the economy. Meeting, Birmingham, October 1 at 3.15 p.m.

HIGHLIGHT SPORTS (girls' and women's leisure wear)—Results for year to March 31, 1971, with chairman's views on prospects reported July 31. Fixed assets £191,476 (£134,855). Net current assets £398,550 (£275,741). At year-end, chairman held 1,053,891 10p Ordinary. Meeting, 1-5 Poland Street, W., September 29 at 11 a.m.

JOHN JAMES GROUP OF COMPANIES—Results year to March 31, 1971 and observations on prospects reported August 10. Group balance sheet total £21.97m. (£23.68m.). Fixed assets £3.48m. (£3.47m.), investments £11.19m. (£12.59m.) and current assets £7.31m. (£7.6m.). Revenue reserves £1.35m. (£1.14m.), unrealised profit on hire purchase, credit sales and voucher trading agreements £1.22m. (£1.16m.). Current liabilities £10.27m. (£11.61m.)—overdrafts £5.29m. (£8.08m.). In common with other portfolios whose year ended on March 31 last, the middle market values of investments showed substantial paper falls during the year but by the end of July they had all been regained. However, it was felt prudent to put a reserve of £350,000 against investments purchased in earlier years which are now in a cyclical trough. Meeting, Bristol, Sept. 30, noon.

KWAHU COMPANY (finance and investment)—Results for year ended June 30, 1971 reported September 3. Quoted investments £521,811 (£532,723). Value £535,614 (£708,873). Unquoted £560,214 (£823,926). Chairman says current year has started under favourable auspices due in large measure to the improvement in U.K. economy and better sentiment of activity resulting in Stock Exchange. Meeting, 20 Aldermanbury, E.C., September 30, at 11 a.m.

LAUGHTON AND SONS (facepowder compacts, jewellery, etc.)—Profit six months to June 30, 1971, £62,000 (£127,000) less tax £24,000 (£57,000) leaving net profit £38,000 (£70,000).

LYONS AND LYONS (supermarket operators selling ladies', children's and men's clothing, etc.)—No dividend, year to February 27, 1971 (8 per cent.). Group net profit £6,526 (£23,113), after tax of £9,878 (£22,868).

MINTY (furniture manufacturers)—Interim dividend 5 per cent. (3½ per cent.). Pre-tax profit for 27 weeks to August 7, 1971, £23,597 (£15,170). Tax takes £6,000 (nil). Net profit £17,597 (£15,170).

W. J. REYNOLDS HOLDINGS (motor dealers and rare earth processors).—Results 1970 reported August 25. Turnover £4,428,980 (£5,165,957). Group fixed assets £770,249 (£794,506). Net current assets £50,867 (£43,342). Small profit earned by Motor Division in first six months of 1971 and Board confidently expects overall profit for full year. Meeting, St. Ermin's Hotel, S.W., September 30, noon.

STRATTON TRUST—Net income available for distribution half-year ended August 16, 1971, amounted to 1.39p per Ordinary Unit and 1.45p per Accumulation Unit (available for reinvestment). This compares with 1.31p per Ordinary Unit and 1.34p per Accumulation Unit for the same period of 1970. Current distribution will be made to Ordinary unitholders on September 30.

UNION STEEL AND MANUFACTURING CO.—Results for the year ended March 31, 1971 reported July 28. Turnover £1,587,000 (£1,398,000). Fixed assets £416,172 (£305,489). Net current assets £506,535 (£441,589). Chairman says sales for first three months of current year reflect the present state of the trade and are below previous year. But with recent relaxations of controls on the motor trade, Board looks to an increase in the near future. Meeting, Wolverhampton, September 30, at 3 p.m.

JAMES WARREN AND CO. (merchants, engineers, secretaries and agents)—Interim dividend 2½ per cent. (same). It is expected that total dividend will be maintained at 15 per cent. for year to September 30, 1971. Profit after tax for nine months to June 30, 1971, £108,331 (£100,011). Interim report will be issued at end of month.

TUBE INVESTMENTS LIMITED

Interim Statement

Results and Dividend

At their meeting today the Directors of Tube Investments Limited considered the results of the Group for the six months ended 30th June 1971 which showed profits for the period after taxation attributable to Tube Investments Limited amounting to £5,177,000 (14.5p per £1 Ordinary Stock). The Directors decided to declare an Interim Dividend on the Ordinary Stock for the year ending 31st December 1971 of 9p actual, less income tax, per £1 Ordinary Stock. This Dividend is payable to members on the Registers on 4th October 1971. Warrants will be posted on 28th October 1971.

Comment and Prospects

Profits for the period were adversely affected by the increasing weakness of investment demand, particularly in the Steel Tube Division. Aluminium Division sales volume and profits also suffered from the effects of worldwide excess of production capacity over demand. In the generally difficult conditions Engineering Division did well to improve its profits compared with last year, and Machine Tool Division to maintain approximately the level of profitability which was reached in 1970 after excluding Froriep and the Rolls-Royce provision. The Cycle and Domestic Appliance Divisions achieved significant increases in profit, the former benefiting from a strong export performance, particularly to the United States.

The outlook for the remainder of 1971 continues to be mixed. Consumer demand can be expected to respond soon to the Government's July measures, further improving the prospects for the consumer Divisions. On the other hand there seems likely to be little response in investment demand before next year. The Group is well placed to take advantage of a general economic recovery but until this materialises the Divisions heavily dependent on investment levels will continue to have a difficult time.

CONSOLIDATED PROFIT AND LOSS ACCOUNT

The unaudited figures for the six months to 30th June 1971, with corresponding figures for 1970 and audited figures for the twelve months ended 31st December 1970 are set out below:

	Six months to 30th June 1971 £000	Six months to 30th June 1970 £000	12 months to 31st December 1970 £000
External Sales	179,474	172,847	351,337
Trading Profit of the Group	16,883	17,632	35,159
Provision for possible exceptional losses in connection with Rolls-Royce	—	—	(2,100)
Provision no longer required in respect of above	496	—	—
	17,379	17,632	33,059
Depreciation of Fixed Assets	5,107	4,505	8,963
	12,272	13,127	24,096
Other Income	1,834	2,328	4,632
	14,106	15,455	28,728
Interest payable on Bank Overdrafts and other short-term borrowings	1,525	1,252	2,481
Profit before loan Interest Payable	12,581	14,203	26,247
Loan Interest Payable	1,912	1,574	3,186
Profit before Taxation	10,669	12,629	23,061
Taxation	4,629	5,998	8,867
	6,040	6,631	14,194
Proportion of net profit attributable to shares held outside the Group	863	1,464	2,586
Profit for the Period after Taxation attributable to Tube Investments Limited	£5,177	£5,167	£11,608
Profit retained by Associated Companies	£451	£555	£1,026
Exceptional Items—net after providing for taxation (see Note 5)	(1,559)	(233)	(1,460)
Proportion attributable to shares held outside the Group	545	133	337
	£(1,014)	£(100)	£(1,123)

Comparative details of Sales and Trading Profit after depreciation including additions to the Group from the respective dates of acquisition, are as follows:

	External Sales: Six months to 30th June 1971 £m.	External Sales: Six months to 30th June 1970 £m.	External Sales: 12 months to 31st Dec. 1970 £m.	Trading Profit after Depreciation: Six months to 30th June 1971 £m.	Trading Profit after Depreciation: Six months to 30th June 1970 £m.	Trading Profit after Depreciation: 12 months to 31st Dec. 1970 £m.
Comparable Companies	166.2	166.8	336.9	11.75	12.76	23.34
Acquisitions 1970	6.5	3.8	10.0	0.45	0.47	1.06
Acquisitions 1971	6.8	—	—	0.07	—	—
Disposals 1971	—	2.2	4.4	—	(0.10)	(0.30)
	£179.5	£172.8	£351.3	£12.27	£13.13	£24.10

The Divisional Analysis of Results is as follows:

Division	External Sales: Six months to 30th June 1971 £000	External Sales: Six months to 30th June 1970 £000	External Sales: 12 months to 31st Dec. 1970 £000	Profit before Loan Interest Payable: Six months to 30th June 1971 £000	Profit before Loan Interest Payable: Six months to 30th June 1970 £000	Profit before Loan Interest Payable: 12 months to 31st Dec. 1970 £000
Steel Tube	52,716	50,322	99,306	3,551	5,991	9,314
Cycle	20,586	13,202	32,285	1,687	835	2,742
Domestic Appliance	24,653	22,586	47,479	1,364	532	2,383
Engineering	14,965	14,263	30,795	1,319	938	2,369
Machine Tool	12,804	15,979	31,727	664	177	(206)
Industrial Electrical	3,540	3,591	7,219	266	275	545
Aluminium	31,698	35,920	68,379	1,775	3,128	4,400
Overseas	18,512	16,984	34,147	2,038	1,778	3,534
Parent Company and other companies	—	—	—	(83)	549	1,166
	£179,474	£172,847	£351,337	£12,581	£14,203	£26,247

Notes

(1) The 1970 comparative figures of profit before loan interest payable included in the table of Divisional Analysis of Results have been adjusted to reflect the change in the financial administration of the Group as reported in the accounts for the year ended 31st December 1970 whereby bank overdraft interest is now charged to Divisions and also incorporate the new groupings of companies in the Domestic Appliance, Industrial Electrical and Overseas Divisions. The 1970 figures are now shown on the same basis as the 1971 figures.
The figures for the six months to June 1970 for Aluminium Division have also been adjusted to the basis now in use for the allocation of interest re the Invergordon Smelter.

(2) The figures of new subsidiaries are included from their respective dates of acquisition/formation in their appropriate Divisions as shown below.

STEEL TUBE DIVISION
J. Barrow Hope & Company Limited (1st January 1971)
Cheswick & Wright Europa N.V. (15th April 1971)

CYCLE DIVISION
N.V. Gazelle Rijwielfabriek (1st January 1971)

DOMESTIC APPLIANCE DIVISION
Turnright Controls Limited (1st February 1971)

INDUSTRIAL ELECTRICAL DIVISION
Simplex-BICC Wiring Systems Limited (1st January 1971)

OVERSEAS DIVISION
Ajax Manufacturing Company (Pty) Limited (1st January 1971)

MACHINE TOOL AND ENGINEERING DIVISIONS
Maschinenfabrik Froriep G.m.b.H. and Gowshall Limited were sold during the period and the results of these companies are included for 1970 but not for 1971.

(3) Part of the provision for possible exceptional losses in connection with Rolls-Royce has been released during the period. The amount brought back into profit totals £496,000 of which £250,000 relates to Steel Tube Division and £246,000 to Machine Tool Division. The provisions released are in respect of cash actually received or firm orders placed by Rolls-Royce (1971) Limited.

(4) Loan Interest Payable is after deducting £980,000 (six months ended 30th June 1970—£355,000) attributable to the capital cost of the new Invergordon Smelter—see Note 5.

(5) Exceptional Items—net after providing for taxation are as follows:—

	Six months to 30th June 1971 £000	Six months to 30th June 1970 £000
Profits on sales of property	84	35
Loss less profit on sales of subsidiaries	(187)	—
Interest and other revenue expenditure arising from the new Invergordon Smelter	(1,086)	(264)
Issue Expenses of the 6¾% Swiss franc loan 1971/86	(357)	—
Miscellaneous	(13)	(4)
	£(1,559)	£(233)

(6) As a result of the revaluation of the Swiss franc in May 1971 the Group has incurred a potential additional liability on its outstanding Swiss Loans amounting to £1,126,000 which has been charged against Reserves. (Parent Company £240,000; Aluminium Division £886,000).

BOOKS

Sterling stuff

BY R. G. SMETHURST

The Future of Sterling as an International Currency by Benjamin J. Cohen. Macmillan, £4.50, 260 pages

This is a wicked time to publish a book on international monetary arrangements: as the author remarks, in foreign economic policy last year is already practically ancient history. Ignore the forward-looking title: the crumbling stone pound on the jacket places the data in these comforting days of 1968-69 when we knew which key currency would be in difficulties, economists could confidently smirk that the bankers and politicians ruled out serious consideration of floating, and the General would veto any European currency, still less one with an Anglo-Saxon component. Even the postscript, dated March, 1971, has a period feel.

But only 20.5 per cent. of the book is devoted to reform arrangements (one must be accurate with an author who footnotes the fact that the City's "square mile" is actually 677 acres), and that has been published already. The bulk of the study is a more timeless analysis of the different roles of sterling. The familiar division of international currencies into reserve and vehicle roles is replaced with six nicely drawn divisions, corresponding to two levels of transaction, private and official, and the three functions of money. The social benefits and costs of sterling as an international currency (not the Sterling Area as such) are then allocated to these transactions, quotation and asset (private), and intervention, par-value and reserve (official) functions.

Even by admittedly erring always on the side of overstating benefits and understating costs, Professor Cohen's calculations for 1968 show a net social cost from sterling's international role of between £115m. and £510m. per annum. At the official level there are losses of £20m. from the intervention and £45m. from the reserve currency roles; as a private transactions' currency there is a net social benefit of £55m. but the private store-of-value role as an asset currency imposes a loss of between £125 and £500m. The need to retain private non-Sterling Area balances, Cohen argues, constrains internal economic management because exchange control and currency devaluation are both ruled out as adjustment policies except as a very last resort.

But any scheme for full "domestication" of the pound—for example, by funding the sterling balances with some international body, or a revaluation of gold or freeing of the parity with some additional funding would impose greater costs than would modifications of sterling's roles. The 1968 Basle Agreement should therefore be modified to permit the gradual reduction of the official intervention and reserve roles (confined already largely to Sterling Area countries) and the elimination of private non-Sterling Area investment balances, to the volatility of which in times of difficulty Professor Cohen attributes most of the constraint cost.

The private transaction's use of sterling, the only role to yield a net social benefit because seignorage and the City's invisible earnings exceed the interest payments, should be encouraged through the quasi-convertibility guarantee of official intervention in the forward exchange market (profits from good years compensating the authorities for devaluation losses).

Although Cohen employs mainly published techniques for calculating the costs and benefits of sterling's various roles, this is an important and useful book which, despite a sometimes niggly and repetitive style, is strongly to be recommended to students of international monetary arrangements not for its conclusions, but for the clear and systematic way in which they are reached.

Indeed the very flow of the argument can sweep the unwary over critical and contentious pieces of analysis—for example the relations between transactions, and the view that official and sterling area balances impose little economic cost since Basle: constraints can take many forms, as those in debt to the IMF sometimes learn.

But perhaps the strongest criticism of the book is that it could have been more lively and interesting, as well as methodologically more sound, if Cohen had followed Karlik's suggestion on measuring reserve-currency burdens, and constructed a hypothetical non-reserve currency growth path. Despite, or perhaps because of, Cohen's independence of historical perspective, he seems to imply that in 1968/69 the position of sterling could not have been otherwise. Constructing an alternative non-international currency growth path, say since the war, might have made Cohen see certain crucial points at which the direction of sterling's evolution could have been altered. We would then have some interesting orders of magnitude not only on the various social costs of an international currency in 1968/69 but also of its managers in the post-war period.

Horse sense

BY SARAH PRESTON

The Woman Who Wrote "Black Beauty" by Susan Chitty. Hodder and Stoughton, £2.75. 256 pages

Anna Sewell, a bed-ridden spinster in her fifties, sold the complete rights of her only book, *Black Beauty*, less than a year before she died for £20. Since its publication in 1877 its sales on both sides of the Atlantic and in many an alien tongue have been estimated at 30m. Not only has it raised a tear in all those tender eyes and made a fair sum for several publishers, but it has also had lasting practical influence.

This autobiography of a horse, written from under his glossy skin, was in the beginning not attributed to its human author but rather coyly described as being "translated from the original equine by Anna Sewell." From the first it spread the gospel of good management and kindness in the treatment of one of man's most useful animal friends. The American animal lover George T. Angell immediately saw its value as a crusading tract and ensured that it was sold and given away in its thousands to all concerned with horses. In the short term it undoubtedly contributed to the demise of the bearing rein, that cruel artifice of fashion designed to make a horse hold its head high.

It was a splendid notion of Susan Chitty's to investigate the source of this successful story. If Anna remains a shadowy figure it is not really her biographer's fault. For it emerges that she belonged essentially to the 19th century Quaker philanthropic tradition which was fearless in its prescriptions for remedying social ills in whatever form they appeared. Any chronicle of her life becomes a footnote in the general social history of that period and in particular part of the progress of the Sewell family. Anna's mother, Mary Sewell, was herself the best-selling author of thousands of admonitory verses for the instruction of the lower orders. Ballads like "The Drunkards" intoned the evils of the gin palaces.

Anthony Trollope may have thought "The Rose of Crediton" was one of the worst poems ever written but the author of "Mother's Last Words," her most successful ballad, spoke to thousands. It is small wonder that with her talent and energy she eclipsed her somewhat sorry Quaker husband and dominated her precious only daughter. Nor is it surprising that most of the information Susan Chitty brings to light about Anna seems to be a by-product of material collected about her mother, whose biography by Mrs. Bayly appeared in 1889. Even Anna's illnesses which gradually incapacitated her remain veiled in Victorian mystery, although Susan Chitty argues cogently that a psychological withdrawal from life contributed as much as the lameness caused by an accident she suffered at 15.

Seen in the context of the Quaker concern for human life in any form, the phenomenon of *Black Beauty* is explained. The vicissitudes of the Sewell family fortunes and the rectitude of these formidable people are well detailed. The only new piece of Anna's writing quoted is a letter to her mother penned when she was 15. There is a playfulness and directness about it that make one wish she could have enjoyed success.

HISTORY TODAY

The SEPTEMBER issue includes:

ADAMS AND JEFFERSON, A CORRESPONDENCE
by Charles D. Aring

YAMATO TAKERU, THE BRAVE OF JAPAN
by Ivan Morris

WILLIAM IV, A PORTRAIT
by Joanna Richardson

VANCOUVER ISLAND AND BRITISH COLUMBIA
by George Woodcock

NOW ON SALE 30p

Light on Ike

BY C. P. SNOW

The Supreme Commander: The War Years of General Dwight D. Eisenhower by Stephen E. Ambrose. Cassell, £4.00. 744 pages

On December 12, 1941, Eisenhower, then a brigadier, was asked by General Marshall to write a paper on American military action. This was a few days after Pearl Harbour: Marshall wasn't, either then or ever, in doubt about American military policy: he was obviously trying to test a promising man. Eisenhower's paper, composed in a few hours, was perfectly sensible. He passed the test. But he included a paragraph consisting of a single sentence, which is curiously revelatory. It shows, with devastating clarity, that there were two wars, the gigantic one on the European land-mass, which the West to this day hasn't fully comprehended, and the Anglo-American one on the periphery. The paragraph ran: "*Influence Russia to enter the war.*" At that moment, the Russians were counter-attacking in front of Moscow. They had already suffered many times more losses than the total casualties of the western populations, military and civilian, in the remainder of the war.

What Eisenhower meant, of course, was—influence the Russians to enter the American-centred war against Japan. To be fair, he—and his master Marshall — were considerably more balanced about the Russian war than their British counterparts. Alanbrooke appears to have added to his high reputation in English official circles by predicting alternately (a) that the Russians would lose within three weeks, or possibly three months (b) when they were not losing, that they would make a separate peace. By and large, and with some qualifications, the American strategic judgment emerges from this book, as from most military histories, as wiser than ours.

Professor Ambrose, who holds a *position* at the Naval War College in Newport, Rhode Island, has a faint nationalistic partiality but writes with a good deal of detachment. When he assumes, but is careful not to say, that Marshall was the best military mind on the western side, one accepts that. Many of us came to the same conclusion long ago. It is perhaps more of a *surprise* to find Eisenhower as a commander coming out of the story remarkably well. He does, though. He started with several points against him. When he came to Europe he had not commanded any troops in battle, not so much as a platoon. The English officers he was to command had all been fighting soldiers in the first World War. Since then,

Eisenhower in 1942

they had been leading armies against the Germans in the second World War, and knew what they were up against. Eisenhower was not an intellectual: maybe the English officers weren't intellectuals either, but most of them were clever men, and he was scarcely that. He was certainly not as articulate as they were. He, and Marshall even more, were discomfited by the argumentative powers of Brooke and above all of Churchill. Incidentally, the more they argued, the more the *Americans* distrusted their judgment.

Eisenhower had to preside over experienced soldiers who thought themselves, and in many respects were, better at their job than he was. Some, like Alexander, were easy subordinates. Some, like Montgomery, weren't: which didn't prevent him, according to most opinion outside the U.S. and the U.K., and despite American resentments, echoed in this book, being the best Army commander the west possessed.

Eisenhower's wouldn't have been a comfortable job for any man. Though his appointment as Supreme Commander for the North African invasion was received by *English* public opinion with a fairly bland face, there was plenty of rancour behind the scene—particularly at the mid-range official levels. After all, Alexander and Montgomery had just won the first land victory of the war on the western side. After all, it was certain that more English troops than American would be fighting in North Africa. A sardonic question-and-answer session took place:

Q. Why did we have to accept a French generalissimo in the First War?

A. Because we were the stronger. It was essential to keep the French in the war.

Q. Why do we have to accept an American generalissimo in the Second War?

A. Because they are the stronger. It is essential to keep the Americans in the war.

Q. In what circumstances, then, could we have an English generalissimo?

A. Silence.

It took an unusual man to prevail as successfully as Eisenhower did. He was not only a good chairman of committees, though that was a major part of his function, and what people mostly considered him at the time. He also possessed, what was not so generally realised, a strong and unbudging character, essential among the complex of arguments and intrigues. Most of all, he learned from, and shared with Marshall, a clear fundamental sense of the major strategy of the war. The Americans were suspicious of sideshows and not tempted by bright ideas and frills. Strategically, they were more direct and bolder than the English, though sometimes tactically more cautious. They were much more certain than the English that Anglo-American forces had to fight in North Western Europe, and much more determined to do so.

All countries make strategic mistakes in war, and it is not very useful to regret ours: the Germans made several critical ones. But perhaps it is legitimate to mention what was argued at the time. If in 1942 the Americans had won the argument, it seems at least possible that the invasion of France could have been accomplished (though with more loss) in 1943 and the war won months earlier. Which would have made a difference to our world. It would have meant reversing several decisions about production and logistics—less heavy bombers made, concentration of aircraft on the sea-lanes and on the Tedder-Zuckerman policy, a switch to landing craft (it is still baffling that this need wasn't supplied, though it was foreseen). It would have meant, most difficult of all, shaking the faith of the Churchillians in "strategic" bombing.

A good many of us will never be convinced that strategic bombing wasn't our greatest single mistake. It was, of course, entirely understandable. The Churchillians were resolved to have no more infantry casualties on the scale of the First War. There was a doubt, hinted at occasionally in Professor Ambrose's book, whether in the Second War Anglo-American forces would accept casualties as the Germans and Russians were prepared to do. This was a doubt which the Americans came to share when they saw, their experience coming later than the English, how the Germans were fighting. All this was rational. The harsh language of arithmetic has its own message.

First War: Killed and died, U.K. and Commonwealth, 1,327,800. USA 116,516.

Second War: Battle deaths, U.K. and Commonwealth, 346,775 (Killed and dead, estimated 450,000). Killed and died, U.S. 405,339.

The Soviet deaths in the Second War were over 20,000,000 and probably nearer 30,000,000. One can imagine Marshal Zhukov's emotions when he compares the two sides of the war.

Eisenhower knew all this, but he was still positive that he had to win the western side of the war in Europe. In which he was totally right. He was also totally right in secondary decisions, such as not wanting to get to Berlin in the closing stages of the war. He would have lost lives, and then have had to come back. He may not have been articulate, but he had a realistic and quantitative mind. He wasn't the man to be devious, and, even if he had been, it wasn't sensible to be devious with Stalin, who had all the power of the Russian army in his hands.

The revisionist historians should note this. Revisionist historians should study other passages in this calm and well-judged work. Though we may all require to do so some revision about Eisenhower, in the direction of his credit.

Gay Maria

BY JOANNA RICHARDSON

Maria Edgeworth. Letters from England, 1813-1844. Edited by Christina Colvin. Clarendon Press, Oxford University Press, £7.50. 611 pages

"What I wish to have published I write for publication—but not private letters," explained Maria Edgeworth to a friend. "I am sure I could not write naturally or with any ease or pleasure if I even *thought* of my letters being published." She left strict instructions that her own letters were not to appear in print. One can only rejoice that her instructions have been disregarded.

For, whatever her merits as a novelist, she was a born correspondent. She dashed off her letters with disarming spontaneity, with brio, and with sharpness and compassion. She had warmth of heart, she had wit and humour, and a mind of her own. She had natural style—and she moved along the famous in a brilliant and romantic age. On her visits to England she left domestic Irish preoccupations behind her. She burst happily into a wider world, determined to appreciate every detail; and one could hardly ask for more, considering the world that she knew.

On her visit in 1813 she recorded the latest tittle-tattle about the Empress Marie-Louise and the discarded Empress Josephine. At Sir Humphry Davy's she caught a glimpse of Lord Byron. "His appearance," she confessed, "is nothing that you would remark in any other man. He stood behind the door all night with the Dutchess of Somerset. . . . Nobody but her Grace heard him say one word . . . Malthus is plain and sensible in conversation." Marie attended one of Mrs. Siddons' readings from *Measure for Measure*, but considered that "the tones of tenderness and sorrow were wanting and the looking through spectacle glasses at the book from time to time breaks all illusion."

In 1818, on another visit, she noted the latest talk about Madame de Staël, and chatted to Miss Montgomery about Byron. "Miss Montgomery met him lately abroad. He is grown fat and quite vulgar looking, she says, has quite embruted. The ladies abroad say that he has had no success in gallantry there—nothing but what his money has purchased." In 1822, Maria was back again to meet Sydney Smith at breakfast; in 1831 John Gibson Lockhart, the son-in-law of Scott, gave her Wilkie's account of how the dying George IV had sat for his portrait. And Lockhart made some observations which are not without interest, coming as they do from Scott's biographer:

As Lockhart observed, how little of the truth comes out to the world *in* all the lives written by professed biographers. "Moore only gives you slightly to understand that Lord Byron had in his life made somewhat too free with his constitution and therefore a slight illness overset him. But Moore knew as well as I do the truth that *he* for the last years of his life drank brandy to such excess that not only he never went sober to bed but it often required two stout fellows to drag him by force away from the bottle and to break bottle and glass before they could get him off."

On the same visit, Maria caught a glimpse of William IV and Queen Adelaide ("a good natured looking sort of body") attending a service at Windsor. In 1844 she watched Queen Victoria open Parliament, and listened with a critical ear. It was, she thought, "more a *girl's* well read lesson than a Queen pronouncing her speech."

The mass of letters in this book are copied from the manuscripts, and many of them have not before been published. Mrs. Colvin has edited them with affectionate care. She has earned the gratitude of the student of history, and of all who enjoy reading letters over someone else's shoulder.

Past reckoning

BY JOHN RAYMOND

The Day Before Yesterday by Alan Thompson. Sidgwick and Jackson, £2.50. (£1.25 in paperback). 224 pages

The glossy appearance of this book, its excellent photographs and the fact that it's based on a well-known Thames television series should not put the serious reader off. It is, in effect, an admirable short account of British politics in the years between the 1945 General Election and the coming to power of "the fourteenth Mr. Wilson" in 1964—what the author (and his historical consultant, Mr. John Barnes) prefer to call "the end of the Macmillan era." In company with a host of personalities interviewed for the series—they range from Lords Butler, Boothby, Shawcross and Egremont to Commander Marten (of Crichel Down fame). Enoch Powell, the ex-political head of the Stern Gang and Sir Winston Churchill's private detective—we are carried down those delusively easy years. Happy days, when a Prime Minister could tell his Chancellor, "Never mind, old cock, we settled the rail strike last night, without deciding to keep you up—on *their* terms." And that, says Lord Butler, "is very typical of what happened at the time of Walter Monckton and Winston Churchill working together."

The narrative is even, well-proportioned and covers a great deal of ground—the creation of the *welfare state*, the *transition* from Dalton to Cripps (not such an economic change as is generally reckoned), devaluation, the Berlin airlift, the Korean War, the Conservatives' new look, Suez and its aftermath and so on. The marginalia provide the real piquancy. Shawcross recalling the *Sidney Stanley tribunal* ("Sir Hartley, you're trying to trick me with the truth"). Lord Shinwell remembering how at the same time as Cripps actually wrote to Attlee—"Get rid of Shinwell"—he sent me a letter sympathising with me and speaking about the fine work I had done *at the Ministry of Fuel* and Power. I have got both . . . in his own hand, in red ink. He always wrote in red ink;" Macmillan shaking his head over Anthony Nutting's Suez resignation statement ("Look I don't understand why you have got to say anything at all, you've been proved right"); after Eden, playing the strong man, had sent Makarios to the Seychelles, a fellow-M.P. telling Lord Boyle, "I didn't like that stamping of feet when the Prime Minister came in." Altogether, an unusual record of the times we've lived through.

Fiction

I will repay

BY ISOBEL MURRAY

Mrs. Munck by Ella Leffland. Hamish Hamilton, £2. 336 pages

St. Urbain's Horseman by Mordecai Richler. Weidenfeld and Nicolson, £2.50. 467 pages

Origins of Cathleen by R. C. Hutchinson. Michael Joseph, £2.50. 350 pages

Who Were You With Last Night? by Frederic Raphael. Jonathan Cape, £1.50. 183 pages

At a time when we are repeatedly told that the novel is a dying form, it is particularly satisfying to be able to recommend a first novel, especially in a week which sees several good novels by established novelists. Elle Leffland's *Mrs. Munck* does not read like a first novel: it is superbly controlled and compellingly written. Mrs. Munck tells her own story, and is at the same time the most complex character in the book. It opens with *Mrs. Munck's* taking advantage of her little-regretted recent widowhood to offer a home to an aged uncle of her husband, and we are immediately made aware that her motives are both malignant and mysterious. As the novel proceeds, she reveals the 25-year-old complex of events which has distorted her already unusual character and made her bent on callously murdering Uncle Patrick.

Rose Munck's earliest memories show that she was capable of an extraordinary love of beauty, coupled with a ruthless contempt and lack of affection towards her parents. In her late teens she left her country home to seek her fortune, with dreams of world travel. Instead, she reached San Francisco, and embarked on a squalid and eventually horrifying relationship with Patrick Leary, many years her senior. The consequences of this liaison were such as to make Rose casually marry Patrick's nephew Hervey and move to a dying small town on the coast, to plan her revenge for many years of empty life. The present action of the novel *reveals* the brutal *power* of the woman and her harsh passions, as well as, ultimately, the fears and insecurities which render her incapable of the Lady Macbeth-like cruelties she has lived for. The character and the pathos of this grimly furious woman and the suspense of the action together make a strange and fascinating book.

Mordecai Richler's *St. Urbain's Horseman* fulfils all the promise of his earlier work. It is the story of Jacob Hersh, born in a Jewish ghetto in Montreal, who has achieved considerable success *in London as a film* producer, as well as a happy marriage and delightful children. All his life Jake has been haunted by the ambiguous figure of his cousin Joey, the Horseman of the title, whom he imagines as a kind of St. George of Jewry, dedicating his life to the discovery and punishment of Nazi war criminals and the cause of right and freedom everywhere. Jake's Canadian relatives, with the constant exception of Joey's mother Hanna, see Joey rather as a professional crook and swindler—it is Jake who needs to see him as fulfilling the ideals Jake feels he has himself failed.

Jake's comfortable life is disrupted by his association with a nasty and vindictive clerk, Harry Stein, because of whom he is exposed to a charge of rape (and worse) at the Old Bailey. Hanna and Harry are among the book's many richly comic figures, and the novel is often very funny, but the main theme is a very serious *assessment* by Jake, of his progress from St. Urbain Street, Montreal, to the heights of his relatively harmless but selfish happiness in London, and his abrupt fall in the Central Criminal Court, where in a sense he puts himself on trial, not for the outrageous charges against him, but for his whole life. *St. Urbain's Horseman* is a superbly written book which reveals more and more clearly the considerable talent of its author.

In *Origins of Cathleen* R. C. Hutchinson successfully adopts an oblique approach to the discovery and description of the marriage of two very unusual people. Young Hutchinson's unexpected adoration of his German governess's tiny daughter is the starting point of his assembling scraps of reportage to re-create the brief love affair of his splendid Irish cousin, Kevin O'Kneale, *much adored* in the boy's early youth, and Helma, his German widow, who later became the boy's governess. The characters are wholly believable, but it is the method which ensures the impression of truth which is only perhaps disturbed by the twist at the end: the method is as roundabout and convincing as A. J. A. Symons' in his tour de force of reel life biography in *The Quest for Corvo*.

Who Were You With Last Night? is a new departure for Frederick Raphael. His hero, seemingly typifying modern civilised man, wishes that his wife were dead, and even plans her murder, for no other reason than his being trapped by her into a life of routine. He turns to the inevitable "other woman," and his unexpected experiences with her make an unusual and partly comic thriller of considerable competence.

Immigration up under Tories, claims Powell

NET IMMIGRATION in the first year of Conservative Government had been over 17 per cent. higher than in the *last* year of Socialist administration, Mr. Enoch Powell claimed last night.

At 41,300, it was not far below the rate being recorded in the mid-1960s, he said in a speech at Smethwick, Staffs. He also claimed that the Home Office "propaganda machine" was presenting a false picture of falling immigration.

Mr. Powell, Conservative MP for Wolverhampton SW, made an impassioned plea for the ending of further immigration for the foreseeable future and the offer of assistance to any who genuinely and voluntarily wished to go home or elsewhere.

"There is something that everyone can do," he told Conservatives. "It is to give Parliament and Government no peace or quarter until those simple and available actions are taken which hold the balance between hope and despair.

"Us, too, our children will not forgive if out of fear or indolence or dejection we betray them."

Alien territory

Earlier Mr. Powell had said: "In your town, in mine, in Wolverhampton, in Smethwick, in Birmingham, people see with their own eyes what they dread, the transformation, during their own lifetime or, if they are already old, during their children's, of towns, cities and areas that they know, into alien territory.

"The people who live about here, and in many another region of urban England, need no statistics to tell them: they know, because they see and because they think. Yet if statistics were needed, they are there."

It was strange to recall the time only three years ago when statements falling far short of what was known were greeted with "horrified ridicule" everywhere but in the areas concerned.

"I can hardly believe how short a time it is since, as I dragged out one figure after another into the daylight, I had to endure those silly debates with academics and self-appointed experts explaining it was just a transitory scare. That babble of voices has fallen silent; but the silence is more eerie than the sound.

"As the demonstration is carried through, incapable of refutation, that a fifth, a quarter, a third of a whole generation is already coloured in places like Smethwick, Wolverhampton and Birmingham, people know what this portends for the future.

"It means a much larger ultimate proportion, because, leaving aside the further addition from outside (which continues) and leaving aside any difference whatsoever in birthrate, there is the fact of centrifugal movement of the indigenous population outwards.

"In the face of this prospect, which only a few years ago would *have seemed monstrous beyond* imagination, those who gaze upo[n] it maintain almost univers[al] silence."

It was no more true to say ... the 2m. West Indians and Asia[ns] here that England was the country than it would be to s[ay] that the West Indies, Pakistan ... India were Britons' country.

Last year the natural increa[se] of the coloured population was, ... a conservative estimate, abo[ut] 50,000. Net immigration of 43,0[00] brought that to 93,000. T[he] natural increase of the rest of th[e] population was 185,000. Deductin[g] a net emigration of 105,000 gave total of 80,000.

'Dangerous error'

"Thus, the coloured populatio[n] grew by 93,000 and the rest ... only 80,000." In 1969, the colour[ed] population had, he claime[d] grown by 103,000 and the rest ... only 98,000.

"The idea that New Commo[n]wealth immigration is diminishi[ng] and *has* already reached unim[portant] proportions is a prevale[nt] and dangerous error," he declar[ed]. This mistaken belief was perha[ps] the chief cause of "prevaili[ng] apathy and sense of inevitab[le] doom."

The Monday Club last nig[ht] supported Mr. Powell's speech. *was a timely rebuff, the* ... said, to those in the race relatio[ns] industry, Home Office statistic[ians], Runnymede Trust personnel a[nd] the like who believed and tr[ied] to make everyone else beli[eve] that New Commonwealth immig[ra]tion was diminishing.

"Those who organise ille[gal] immigration *should* face ... penalties and those who ... illegally, and those who atten[pt] to enter without permits sho[uld] be returned to their country [of] origin," the club stated.

"When the Immigration ... becomes an Act next month ... Monday Club confidently exp[ects] the Government drastically to ... all immigration and to embark ... its policy of assistance to ... who genuinely, voluntarily w[ish] to go home or go elsewh[ere]. Failure to do so would be ... betrayal of the British people."

Early warning system on oil slicks

ACCURATE WARNINGS of ... slicks will be available as a re[sult] of a survey being carried out ... the Irish sea, it was disclosed ... terday.

The biggest oceanograp[hic] survey conducted in British wa[ters] will chart tides and water m[ove]ment between the St. Geor[ge's] and North Channels to find ... how currents distribute or disp[erse] effluent.

"For the first time we ... know exactly where the curre[nts] flow and in the event of oil sl[icks] being sighted, we will be able [to] give accurate warnings," sai[d a] Ministry of Agriculture, Fishe[ries] and Food spokesman.

U.K. ECONOMIC INDICATORS

General	Unit	1971 Aug.	1971 July	1971 June	1970 Aug.
Unemployment¶	'000s	859	786	724	606
Unfilled vacan's¶	'000s	179	193	198	272
Bank advances	£m.	5,852	5,989	5,719	5,818
Gold reserves	£m.	2,003	1,613	1,508	1,147

	Unit	1971 July	1971 June	1971 May	1970 July
Basic materials and fuel prices††	1963=100	137.7	137.4	137.3	127.5
Wage rates	Jan. '56=100	222.3	220.9	218.8	196.1
Retail prices	Jan. '62=100	155.2	154.3	153.2	140.9
Retail sales val.**	1966=100	134.3	131.5	133.0	123.3
H.P. Debt¶	£m.	1,407	1,403	1,397	1,306

	Unit	1971 June	1971 May	1971 Apr.	1970 June
Terms of trade	1961=100	108	108	107	102
Industl. output**	1963=100	127.0	126.4	126.1	123.8

Trade and Industry	Unit	1971 July	1971 June	1971 Jan.-July	1970 July
Imports f.o.b.**	£m.	719	739	709	510
Exports f.o.b.**	£m.	762	779	714	660
Visible trade balance**	£m.	+43	+40	+7	+150
Steel (wkly. av.)*	'000 tons	390.8	427.8	472.2	439.6
TV sets†	'000s	179	137	161	190
Radios, r/grms.†‖	'000s	69	57	69	71
Cars*	'000s	85.7	175.7	141.2	80.8
Comm. vehicles*	'000s	27.49	49.54	38.66	22.28
Houses compl't'd¶	'000s	31.3	29.1	28.1	33.2
Man-made fibres*	m. lbs	113.7	108.9	114.0	115.1
Cement (weekly average)*	'000 tons	362	350	336	359
Bricks*¶	millions	549	565	535	492

	Unit	1971 June	1971 May	1971 Jan.-June	1970 June
Cat'ring turnover	1964=100	146	150	146	145
Mtr. trd. turnover	1967=100	153	151	144	133
Hosiery*	1963=100**	143	165	149	147
Furniture†	1963=100	118	133	133	124
Engin. and Elec. (orders on hand)	Dec. '63=100	117	118	119	122
Made-up clothing (orders on hand)**	Dec. '62=100	175	175	167	143
Raw wool§	m. kilos	12.1	13.1	12.5	14.4
Textiles (orders on hand)**	Dec. '62=100	125	124	122	130

	Unit	1971 May	1971 Apr.	1971 Jan.-May	1970 May
Petroleum†	m. tons	8.65	7.82	8.11	6.58
Raw cotton (weekly av.)§	'000 tons	3.10	2.59	3.12	3.57
Electric cookers†	'000s	83.7	76.3	77.7	61.7
Washing mchns.†	'000s	51.3	50.2	58.8	45.6

	Unit	1971 2nd qtr.	1971 1st qtr.	1971 Year to date	1970 2nd qtr.
Factory approvals	m. sq. ft.	14.9	18.2	33.1	23.8
Consumer spending**	£m. 1963 values	5,940	5,813	11,753	5,819
Machine tools†	£m.	45.6	55.6	101.2	48.3
Building and civil engineering*	£m.	1,384	1,238	2,622	1,261

	Unit	1970 4th qtr.	1970 3rd qtr.	1970 Year	1969 4th qtr.
Plastics*	'000 tons	375.3	358.7	1,463.1	384.7

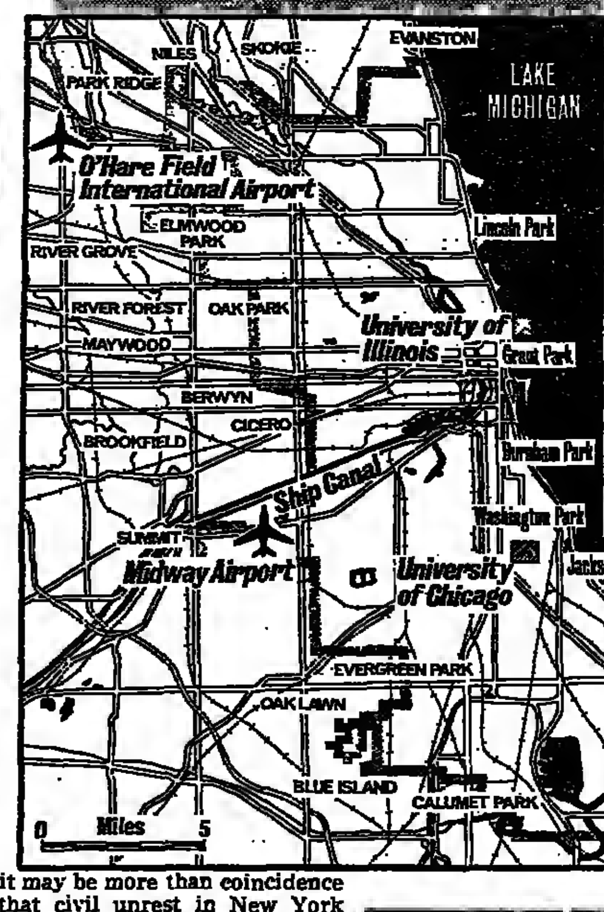
* Production. † Deliveries. ‡ Net sales. § Consumption. ¶ G[reat] Britain, not seasonally adjusted. ** Seasonally adjusted. †† ... non-food manufacturing industries. ‖ Excluding car radios.

NOTE—Foreign Trade figures are seasonally adjusted.

هكذا من الأجل

Chicago

Financial Times Survey



A long list of firsts

By JUREK MARTIN

If there is one thing that can be guaranteed to make a loyal Chicagoan reach for the bottle, it is to hear Chicago described, as it often is, as America's "Second City." He might acknowledge that his city is no longer first in some areas; it no longer has the highest crima rate in tha nation, which once lent it a certain notoriety, nor is it the slaughterhouse capital of tha country, which lent it a certain odour, because they have all gone, nor more unfortunately for the civic boosters, do its numerous sports teams, with tha odd exception, these days finish higher than second in their leagua tables. But when it comes down to the general idea of accepting that Chicago, like Avis, is number two then a defensive mechanism sets in that prompts the Chicagoan te list the areas in which his city is second to none in the United States.

By any standards, the list is impressive. Let us start with the business front: Chicago is first in air travel (O'Hare is the busiest airport in the world, with an aircraft movement every 16 seconds, and a third airport, to complement O'Hare and Midway is in the works). The city is the leading ground transportation centre in the nation, served by 18 trunk railway lines, 1,200 local trucking companies and 400 common carriers. Greyhound, the biggest bus company in America, is based in Chicago. The Port of Chicago handles 85 per cent. of all the Great Lakes-overseas trade.

Chicago, not, contrary to popular belief, Pittsburgh, is the leading steel city in the nation. The 16 steel companies operating in the metropolitan area account for 27 per cent. of the total American steel output. Led by Sears, Roebuck and Montgomery Ward, Chicago is the centre of the mail order business. It makes more industrial machinery than any other city in the nation and more metals productinn manufacturing is carried on in it than elsewhere. It is number one in the production of musical instruments, radios and televisions, and bousehold appliances. More than 1,100 printing companies in the city make it the leeder in commercial printing as well, not tn mention the production of business forms. It even has more daily newspapers than any other city. These items just scratch the surface of the commercial national leadership that Chicago can lay claim to.

Tallest bank

Physically, too, the city likes to boast of its achievements. It has the tallest bank building, the tallest apartment building (when the Sears building goes up it will probably have the tallest building in the world), the largest hotel, the largest commercial office building, the largest post office, the largest underground garage, and so on and so forth. It is also the largest convention centre in the country and, although it will probably not get another political party convention after the shenanigans of 1968, it can console itself in the knowledge that political delegates are lousy spenders (especially impoverished Democrats) and do not contribute much to the $500m. a year that happy conventioneers spend in Chicago.

The fact that Chicagoans find it necessary to trot out all these statistics might suggest that the city suffers from the most awful inferiority complex. Perhaps it does, but if one looks at its economic background It has little reason to feel this way. The Chicago metropolitan GNP (covering 7.7m. people) will this year prnbably exceed $55,000m. This, you will be told in Chicago, is bettered by only nine foreign countries. But since Chicago cannot be considered purely as a metropolitan unit bnt must be judged by the hinterland it serves, it is worth noting that if you extend the radius around Chicago (not into Lake Michigan, of course) by 500 miles you could encompass an area in which would be found over 40 per cent. of the manufacturing output of the U.S. It is bardly surprising, therefore, thet the Chicago family has the highest income in the country (with the exception of Washington, DC, which, Chicagoans say, doesn't really count because nobody works for a living there). Nor is it surprising, in view of this economic activity, that the State of Illinois is the largest exporting State in the Union.

Chicago, by any standards, has an impressively broad economic base. No single economic activity accounts for much more than 10 per cent. of the total picture, which means that the city was able to weather the last recession far better than most. It has also meant that, since the tax base of the city has eroded much less quickly than in many other major cities, where citizens and corporations alike have fled to the suburbs, Chicago has the lowest per capita indebtedness of aoy large American metropolis. Its consequent creditworthiness has made it possible for Chicago to pay its way in the world in a manner that most large U.S. cities would envy. Budgetary pressures, to be sure, do exist and by no means all tha civic amenities function as they should, but it is clear that Chicago bas deteriorated, physically, if not morally, markedly less than bave, for example, New York, Los Angeles, Washington or Baltimore.

Much of the credit for the physical wellbeing of the city must go tn Mayor Daley, just as a share of the blame for the social problems that the city does have must also land oo his desk. And there should be no doubt that, for all its vigorous business health, Chicago does bave problems. They may not be unique to Chicago, but they cannot be convenieotly shoved uoder the carpet of general economic strength.

No secret

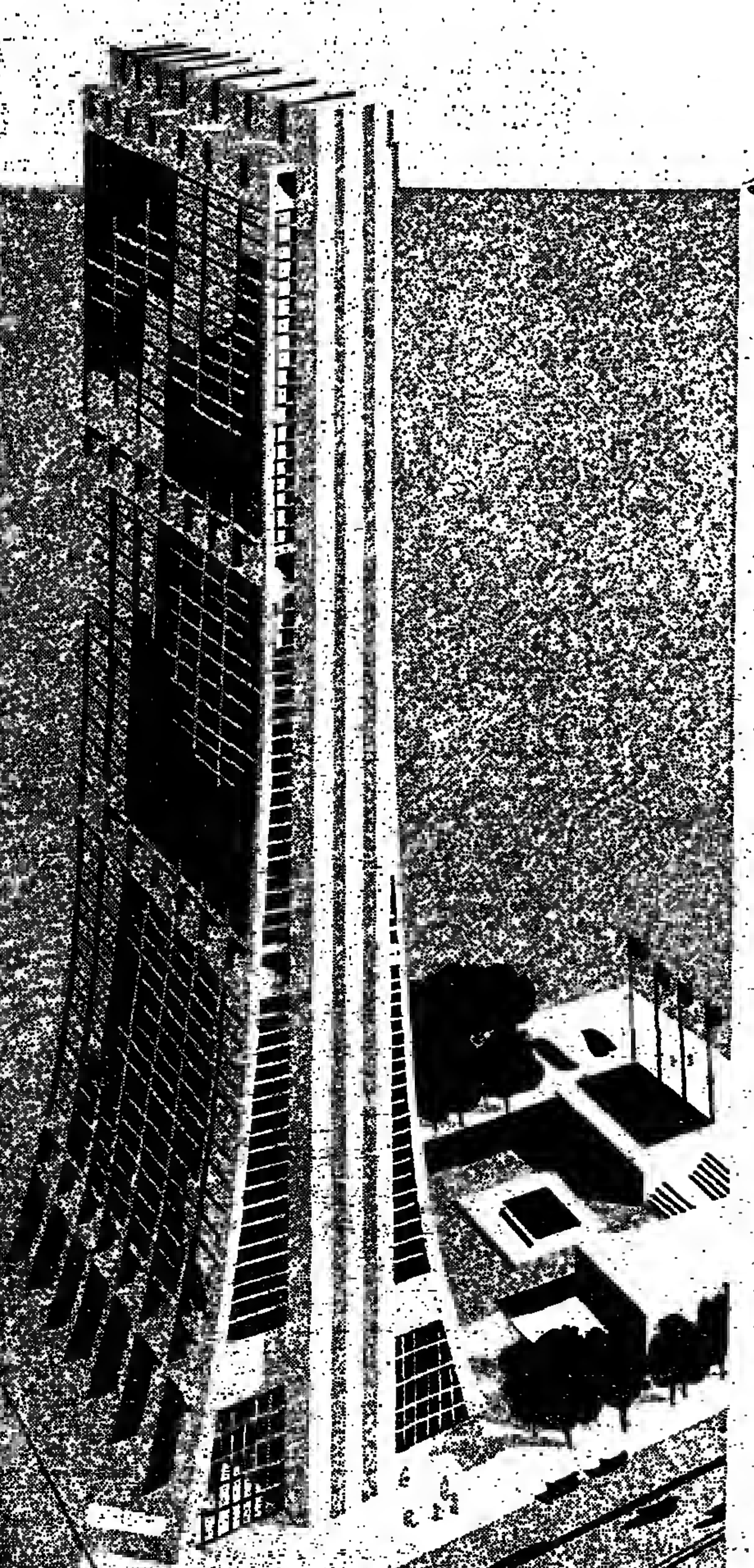
It is no secret what these problems are. Mr. David Stahl, the Deputy Mayor, listed them as employment, bousing and education. In a separate survey conducted by the Association of Commerce and Industry of local businessmen, the order of priority was control of inflationary wage demands, pollution abatement, protection against civil disorders (of which Chicago has bad a few), drug abuse, improvement of the schools, anti-strike laws in essential services, better police protection, solid waste disposal, better mass transit, all the way down to the lowest priorities, which included more low income bousing and more jobs for minority gronps in the construction iodustry.

There are those in Chicago who believe that Mayor Daley pays less attention than be sbould to the problems of the education, bealth and jobs of the poorer citizens, concentrating rather on the bricks and mortar of civic life. Certainly it is true to say that there is little love lost between the mayor and the minority groups inside the city, particulerly in view of the hard lioe that the mayor bas taken over the years nn what he considers to be civil disorder but which others believe to be entirely legitimate and non-revolutionary demands for certain social changes. This hard line, ofteo implemented by the stroog-arm tactics of a police force nol renowned for its tact, bas without dnubt wnn lhe approvel of much of Chicago aod the country (the convention business was not harmed one whit by wbat went on in 1968), but the leck of confidence that has been generated between the poorer areas and city hall could make for trouble in the future. The comparison with New York in this respect is apposite. In New York the situation seems hopeless but at least the Mayor, lhough ineffectual, bas his beart in the right plece: lo Chicago, oo the other hand, there is a mayor who really does have the power to get things dooe, but over whom rests the grave doubt of whether he really wants to. In the light of this, it may be more than coincidence that civil unrest in New York bas been much less prevalent in the lest decade than it bas been in Chicago.

Nevertheless, many Chicagoans reseot this sort of criticism of their city, particularly if they feel that Chicago is being singled out for criticism by the Eastern liberal establishment, who, perhaps, ere secretly jealous of Chicago's sturdy vigour. Chicago certainly is not wbat Vice-President Agnew might call an "effete, intellectual city." This does not mean that the city is crude, for its fine arts are fine and its food cosmopolitan. It could never be called e classicelly beautiful city, though there are many beeutiful things in it and though its town planning has been farsighted enough largely to preserve the city's greatest natural amenity, its lakeshore front.

The overall impression that one draws from Chicago is of a purposeful, bustling metropolis, whose prime business is doing what comes neturally to it—serving the industrial and, to a sligbtly lesser extent, the agricultural heartland of America. Chicago prospers dolog just this: no other city in the land could do it. One wonders at timee why Chicago botbers so much ebout being described as the second city. Doing wbat it does and being what it is, it isn't second to anybody.

A section of the Chicago Symphony Orchestra which is currently making its first European tour. The orchestra appears in London next month.



The First of Chicago— a new center for international banking.

When President Lincoln signed the National Banking Act in 1863 to create institutions which would help finance the Civil War, The First National Bank of Chicago received Charter No. 8. It is the oldest U.S. national bank operating under its original name.

The history of the bank has been vitally linked with the history of Chicago, from the Chicago Fire to the panics of the early 1900's and the reconversion of defense industries to peacetime production after World War II.

The design of the bank's quarters, from the old First National Bank of Chicago building which burned in the fire of 1871, to the towering new 60-story skyscraper, has always been a landmark in a city famed for superb innovative architecture.

We are and have been the industrial bank of America's heartland. Reflecting this involvement, our motto began as "Building with Chicago since 1863," was changed to "Building with Chicago and the Nation since 1863" and today it is "Building with Chicago and the World."

Although, to our knowledge, we had the first bank foreign department in the United States, founded in 1870, and published advertisements for foreign business in the Rand McNally Bank Directory of 1873, we did not begin establishing foreign offices until 1959. Today we have 26 units in 20 countries and we would like to introduce you to some of our official family.

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Edward F. Blettner, Vice Chairman
John E. Drick, President

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Full Service Banking
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Chicago, Illinois 60670
A. Robert Abboud, Senior Vice Pres.
Leo H. Garman, Vice Pres.

New York
Full Service Banking for International Transactions
First Chicago International Banking Corporation
1290 Avenue of the Americas
New York, New York 10019
James S. Brannen, Vice Pres. and Gen. Mgr.
Colin C. Johnston, Asst. Vice Pres.

EUROPE, MIDDLE EAST AND AFRICA HEADQUARTERS (IN LONDON)
The First National Bank of Chicago
1 Royal Exchange Buildings, Cornhill
London, E.C. 3, England
J. Hallam Dawson, Vice Pres.

Brussels Branch
Full Service Banking
The First National Benk of Chicago
40 Avenua des Arts
Brussels 1040, Balgium
Francis G. Foster, Jr., Vice Pres. and Gen. Mgr.
Joseph C. Lane, Asst. Mgr.

Dublin Branch
Full Service Banking
The First National Benk of Chicago
P.O. Box 493
31 Deme Street
Dublin 2, Ireland
Robert R. Yohanan, Asst. Vice Pres. and Mgr.
James B. Nicholson, Asst. Mgr.

Düsseldorf Branch
Full Service Banking
4 Düsseldorf 1
Heinrich-Heine-Allee 33
Postiach 3007, Germany
Horst Senff, Mgr.
Wolfgang Hühne, Asst. Mgr.

Athens Branch
Full Service Banking
The First National Bank of Chicago
13 Panepistimiou
P.O. Box 431
Athens, Greece
D. John Stavropoulos, Vice Pres. and Gen. Mgr.
Leigh G. Beube, Asst. Mgr.

Frankfurt Branch
Full Service Banking
The First National Bank of Chicago
6 Frankfurt am Mein 1
Naua Meinzer Stressa 31
Postfach 2325, Germany
John A. Anderlik, Vice Pres. and Gen. Mgr.
Werner J. Sommer, Asst. Vice Pres. and Gen. Mgr.

London Branch
Full Service Banking
The First National Bank of Chicago
1 Royal Exchange Buildings, Cornhill
London, E.C. 3, England
Homer J. Livingston, Jr., Vice Pres. and Gen. Mgr.
Gordon J. Sapstead, Vice Pres.

First Chicago Limited
Merchant Banking
(Merchent Bank Subsidiary)
1 Royal Exchenge Buildings, Cornhill
London, E.C. 3, England
William G. Curran, Vice Pres. and Managing Director

Milan Branch
Full Service Banking
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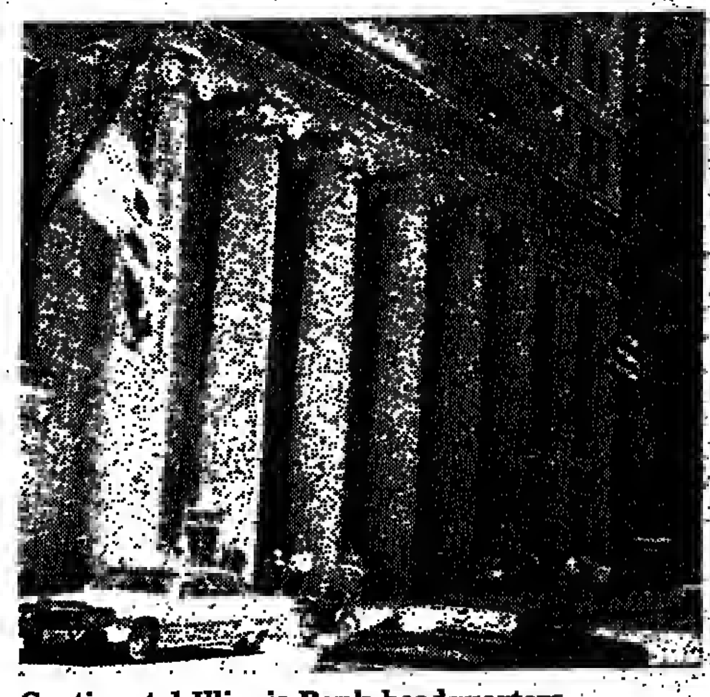
CHICAGO II

Cautious approach to branch banking

By JUREK MARTIN

It probably grieves many a Chicago banker to know it, but in many ways the most interesting thing ebout the banks of Chicago, big and small, is an aoachronism. This is the rule which prevents them operating as banks from under more then one roof. When the First National Bank of Chicago claims that it has more savings deposits than any nther bank in the country, it is being perfectly honest: it does not mean that First Chicago has more deposits than the Bank of America but it doea mean that in the ooe building in the State of Illinois in which the bank is permitted to function are gathered together more aevings deposits than in any ooe of the more than 900 branches of the Bank of America.

It should be stressed from the ontset that it is only in their lack of branch banks that the big banks of Chicago are anything less than thrusting modern financial institutions. The big two, Continental Illinois and First Cbicago, are among the top dozeo banks in the U.S.—they are, in every sense, competitive natiooal and interoetional institutions, fully justifying Chicago's position as one of the most important American financial ceotres behind New York. The next two in the league table, Northern Trust and Harris Trust and Savings, are both billion-dollar-plus banks, ranking 30th and 33rd in size nationally and commanding considerable economic influence, especially now that *they, as State-chartered banks*, have been given equal operatiog powers with the oational banks.



Continental Illinois Bank headquarters.

THE TOP TEN BANKS OF CHICAGO, RANKED BY DEPOSITS AT END 1970

Chicago ranking		Deposits $m.	National ranking
1	Continental Illinois	7,154	8
2	First National Bank of Chicago	6,276	10
3	Northern Trust	1,741	30
4	Harris Trust and Savings	1,678	33
5	American National Bank and Trust	847	71
6	Central National Bank	469	140
7	La Salle National Bank	433	156
8	Lake View Trust and Savings	293	204
9	Exchange National Bank	283	209
10	National Boulevarde Bank	232	258

Source: American Banker

1870 ban

But, that said, if one is talking about *the city of Chicago* and the role of the banks as they affect the citizens of Chicago, then one cannot avoid focusing attentioo on the lack of brancb banking. The ban oo branch banking was embodied in the 1870 constitution of the State of Illinois: for 100 years, until last year's constitutional conference, the law required that only a referendum of the people of Illinois could change this status. Last year's conference amended this in one very important way by agreeing that branch banking could now be authorised if such a proposal secured the simple support of 60 per ceot. of the state legislature.

Strangely enough, this does not necessarily mean that branch banking is now around the corner in Chicago. But before looking at the cbances for change it is worth considering the current state of retail banking in the city. The inability to have branches has meant the proliferation of fioaocial institutions. Although they have remedied the situation with something of a vengeance in recent years, the bigger banks io the past tended to ignore their small customer at the expense of the ample corporate business that was always on the doorstep.

Even to-day it is customary for the average Chicagoan to have several bank accouots (as well as patronising the numerous currency exchanges wbich casb pay cheques all over the city). First, Chicago, for example, has about 325,000 savings customers, six times the oumber of current accounts on its books, a situation which worries any bank that tries to provide total financial service to its clieots. The ratio tends to sbow bow the Chicagoan needs cheque cashing facilities close to bis home, which not even all the charms of First Chicago's positively exotic new beadquarters on the Loop can lure him from. All the banks in Chicago acknowledge the oeed to broaden their customer base, if only to make the transition to the inevitable casbless society easier wbeoever that comes to pass.

By the same token, many of the tiny banks that the absence of branch banking has enabled to survive (there are about 800 in the State of Illinois, only a handful of wbom bave any real financial power) make little attempt to offer anything other than the most basic banking services. In the words of one senior Chicago banker (who, for obvious reasons, wished to remain anonymous) many of the closely beld banks in Chicago have managements that are "aged or infirm or both."

This had a very serious drawback in the poorer areas of the city. The financial base of the ghetto has been sorely weakened by the absence of neighbourhood branches of the larger banks with the money to back ghetto ventures. "We try to get them to come here (to the bank's HQ) since we can't go to them," another banker explains it, bot he admits that the task has not been easy. *Continental Illinois has* recently explored one route to remedy this by helping to finance (through discreet loans) a minority-owned bank in a black area: the early signs are that it is working well and similar schemes beve been adopted by other major banks. Of course, the big banks have and use other avenues of improving the lot of the poorer areas (housing finance and so on), but it would be hard to argue that these can compensate for the lack of such a significant element as grass-roots local retail banking.

This situation is not, of course, the major banks' fault. It has certainly not affected their ability to serve the business ioterests of Chicago, domestically and internationally, or of the rest of the country, where they are most active. It has, without doubt, circumscribed them somewhat in rural downstate Illinois, where regional development has been hampered by the lack of good sized banks with sufficient lending power (one Continental Illinois officer explained graphically how the legal lending limits of some downstate banks were so low that they could be inadequate even to finance e single purchase of a single tractor.

Nevertheless, even allowing for the reform enacted at last year's constitutional conference, it is still by no means a certainty that branch banking will shortly be prevalent in Illinois: or, to be more precise, if the banks are allowed to have branches, it is by no means certain that they will immediately open up shop all over the place. There are two main reasons for this caution. The first is simple economics: it is far cheaper to operate e unit bank under one roof than a horde of branch banks (and the regularly repeated dictum of Gaylord Freeman, chairman of First Chicago, is "profits is the name of the game"). To be sure branch banking would bring in more business, but banks as large as Continental Illinois and First Chicago have few problems raising money and might well find it profitable to raise cash in, perhaps, the Eurodollar market rather than attract, at greater expense, extra local savings deposits.

Cashless society

The second reason is technological: this revolution is advancing the dawn of the cashless society, where what are now full service, labour intensive branch banks need be little more than automated credit handling facilities. It is simply a more tailored approach to banking, offering the service the customer basically needs at *branch level* but little more. In areas of greater need, such as the ghetto, there is certainly still a definite place for the more traditional full service branch bank, but in the areas of greater affluence and confidence it might be unnecessary. Thus it is conceivable, ironical though it may be, that the very anachronism that has circumscribed their retail banking activities in the past might enable them to adapt more easily and more cheaply to the retail banking of the future than their counterparts in other states, wbo face the problem of tailoring the system that has served them so well in the past to the needs of the future. It may be an irony but Chicago bankers are not the sort of people to waste much time on ironies, and these are the thoughts that are currently uppermost in their minds as they contemplate how to do business with the citizens of the City of Chicago.

Business and industry

By a Correspondent

The real monument to the strength of retailing in Chicago will not be completed until 1974. It is the new Sears, Roebuck beadquarters on the Loop, all 1,450 feet, 109 storeys and 4.4m. square feet of it. The fact that Sears, as well as other mail order firms, and Marsball Field, Chicago's most celebrated department store, were able to announce plans for major physical expansion in 1970, e year wheo the economy generally was in the doldrums and consumer confideoce reportedly shaken, speaks volumes for the vigour of Chicago retailing.

In ell, according to a survey conducted by the Association of Commerce and Industry, Metropolitan aree retail sales came to $15,900m. last year, $1,000m. more than in 1969. This year the association estimates that $17,500m. will be achieved. Inside the overall picture tbere have inevitably been weaker spots—TV sales and so on—but the general level of business in the Loop, along the city's famous Michigan Avenue shopping street and in the more outlying shopping centres has been impressive.

Oo the mail-order side, Chicago is tbe headquarters of just under 50 companies which together eccount for well over 90 per cent. of the nstion's mail-order business. All the leaders are based in Chicago—Sears, Montgomery Ward, Spiegel, Alden and John Plaio, and their presence goes some way to explaining why Chicago is the largest commercial printing ceotre in the country.

According to the Associetion of Commerce and Industry the second largest iodustry in Chicago is the productioo, preperation and selliog of food and drink: recalling the number of illegai speakeasies for wbich Chicago was once famous it looks es though the city is maintaining en bonourable tradition. Total manufecturers' sales exceeded $5,100m., while Cblcagoans altogether spent ebout $5,600m. on food and drink, about balf of this in retail grocery stores.

Chicago can also claim credit for spawning one of the most ubiquitous of American culinary experiences. It is the headquarters of Mecdooalds, the largest hamburger chain in the conntry, with over 1,600 outlets at present all over the country selling (think of the enormity of it) over 4m. hamburgers e day. Only a little more than ten yeers ago, there was no Macdonalds; now Chicago can even boast "Hamburger University," where Macdonalds meticulously trains would-be operators of its franchises.

Food firms

More traditionally, in keeping with Chicago's long-standing reputation as the packer and canner of much of the nation's food, are such well-established food firma as Beatrice Foods, Consolidated Foods and Libby, McNeil aod Libby, not to mention the extensive operations of Nabisco, Quaker Oats and Scot Lad Foods.

Chicago is very mucb one of *the national centres of the many* faceted insurance industry. Indeed in the John Hancock Tower and in the Sears Roebuck building (All-State Insurance Compeny *is a Sears subsidiary*) ere yet furtber testaments to the importance of it. There are more property and casualty insurance companies in the Stste of Illinois than in any other (though the dollar value of the premiums they write is exceeded by both New York and California), wbile Chicago, along with Phoenix, Arizona, and Dallae, Texas, is one of the three leading bases for life insurance concerns.

Insurance base

It would be far too facile to say that the insurance industry and Chicago are heavily intertwined: insurance is a national and international business and the particular problems that it confronts in Chicago—such as the current debate all over the U.S. concerning the introduction of "no fault" car insurance policies—are certain to be reflected elsewhere. Yet it is surely more than mere coincidence that a number of major, financially-oriented companies, directly or indirectly with insurance, have found it profitable to base themselves in Chicago. Among them are Household Finance, the oldest and largest consumer finance company in the U.S., Walter E. Heller *International, The Fac*toring Organisation, and CNA Financial.

The economic recession really bit into Chicago's convention business last year, when only 785 conventions, exhibitions and *the like were held. It was,* perhaps, eomewhat ironical that the largest show of all last year should be that of the Association of Machine Tool Companies among the hardest hit industries. However, there seems every reason to believe that last year was something of an aberration and that the city will soon be enjoying again something like 1,000 shows bringing 1.5m. conventioneers to the city ready to spend something like $400m. a year. (It is difficult to divorce conventioneers' spending from ordinary tourist spending and the city is doing its best to encourage potential conventioneers to combine their vacations with their exhibitions. All told, Chicago attracts about 7m. visitors, who spend perhaps $750m. a year.)

There is no doubt that Chicago is well equipped to handle the convention inflow. No greater earnest of its intention to become the convention capital of the country could be offered than its construction of the architecturally disastrous but superbly fitted McCormick Place exhibition complex. The new building, replacing the original which burned down four years ago, covers 18 acres, has two massive exhibition floors, countless meeting rooms, theatres, restaurants and so on. What McCormick Place does not cater for will often go to the major hotels, the Hilton, the Drake, the Palmer House, or to the International Amphitheatre. Chicago officials are now trying very hard to attract European convention business and have had at least one notable success, for the European International *Tool Show will be coming to* Chicago in 1972.

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CHICAGO III

Birthplace of modern architecture

By CANDACE CUNIBERTI

Chicago is the acknowledged birthplace of modern architecture. There can be few, if any, American cities to-day that contain as many interesting buildinga, ranging from the turn of the century creations of Frank Lloyd Wright to the modern colossi of the Hancock and First Chicago Towers. The skyline of Chicago may not be as awe-inspiring as that of Manhattan or as naturally beautiful as that of San Francisco (which is in grave danger of being lost), but the physical structures that make up the city provide some of the city's most striking features.

When much of the city was destroyed by the fire of 1870, new opportunities abounded for architects to experiment with new concepts and designs, free from the dominance of regional stylistic preferences. Here at the turn of the century Louis H. Sullivan and his pupil, Frank Lloyd Wright, set the tone for much of 20th-century architecture.

One of Sullivan's most famous buildings, snd one that is considered exemplary of his mature style, is the Carson Pirie Scott and Co. department store on the corner of Madison and Main Streets. It was the last skyscraper he designed (his first was the Wainwright building in St. Louis Missouri, and was completed nine years earlier in 1891). Sullivan spoke of architecture as being an expression of democracy, and was insistent that the use of a building must determine its form. "Form follows function" is his often quoted rule. In the Carson Pirie Scott building a white terracotta facing covers the steel frame, and by this time in bis development Sullivan allows tha steel framing to becoma tha format for much of the building's lines. In earlier buildings, sucb as the Walnwright, the windows had been small, and engaged pilasters which separated them also seemed to serve as supportive piers, giving such earlier structures a beavier appearance than his later buildings.

As always, Sullivan has given careful attention to decorative detail. All the windows of the upper storeya of the Chicago Department store are framed by cast iron ornamental work, while dacorative bands run along the top and bottom of the windows, extending the entire length of the building. The windows on the lower storeys are framed by far more elaborate and rich cast iron work, inspired by art nouveau decorations.

Own practice

Frank Lloyd Wright, Sullivan's protégé, left the firm of Adler and Sullivan in 1893 after a disagreement with his teacher, and set up his own practice in Oak Park, a Chicago suburb. From that time until his departure from Chicago 13 years later Wright completed an impressive list of buildings, most of which were domestic structures in the style now referred to as the "prairie houses" because of the long low roof lines which ecboed the horizontal expanses of the plains of the mid-Western States. The Robie house is perhaps the best known and most perfect example of this form of design, and it was declared a national landmark in 1963, four years after his death. There are approximately 75 buildings in Chicago designed by Wright, and most are from the early periods of his career. Fewer than ten were built after 1910.

In spite of its position in the architectural vanguard, Chicago did not maintain its lead, and the infinence which gave Chicago its present day character came from Europe's international styla, which did not bagin to infinence American architecture until the end of the 1920s. The dominance of the large bigh rise buildings, wbich form Chicago's impressive skyline along Lake Michigan, owes much to architects such as the German, Ludwig Mies van der Robe, who came to Chicago after fleeing Nazi Germany where his works were condemned. His presence belped to precipitate sweeping cbanges in the architectural style of the city. The promontory apartments on the South Shore Drive were completed in 1949 and were followed by the two towers of the Lake Shore Drive apartments (1952). They are both clean lined structures, rising from stilt-like supports. The earlier building bas more masonry work and is somewhat heavier in its appearance than the second sfructure, in which the walls between the large steel piers are almost like a glass curtain in thin frames. He also designed the Illinois Institute of Technology (1942-1958) new campus on South State Street. Unlike many of the U.S. campuses, wbere an architect is commissioned to design a single structure, the IIT complex is a grouping of several buildings, giving van der Robe a special freedom of design.

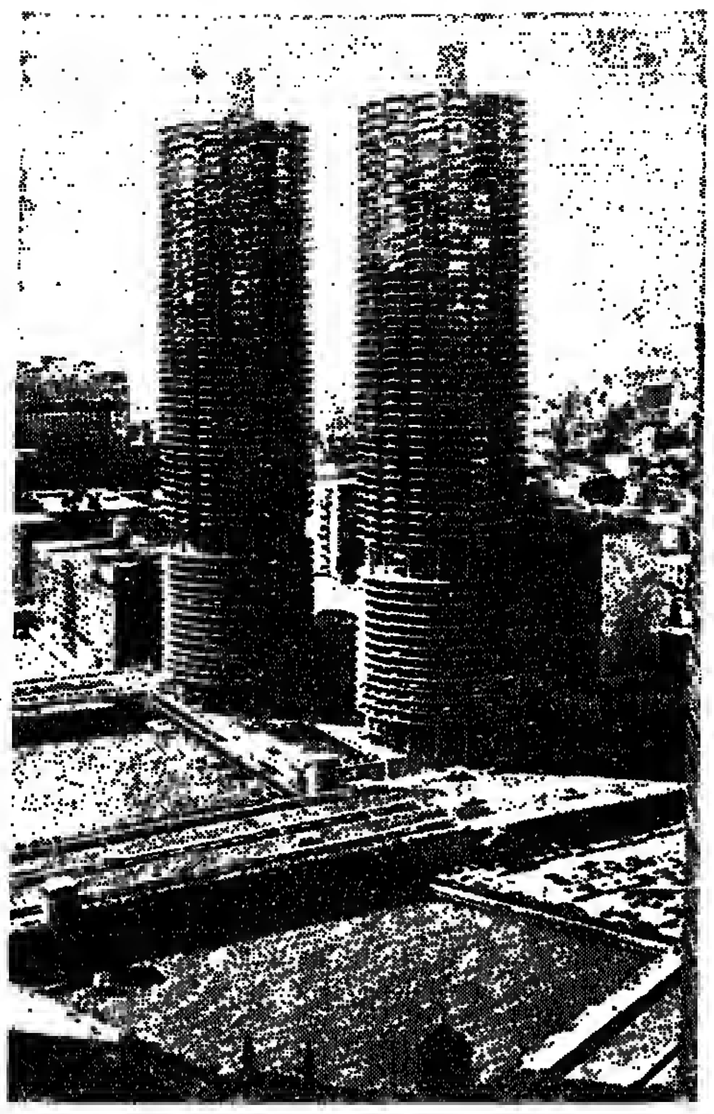
Building boom

Skidmore Owings and Merrill hava also been active in Chicago's new building boom. The buildings which they have designed include the Hartford Insurance building and the Inland Steel building, and they have worked with otber architects in larger projects such as the Chicago campus of the University of Illinois. SOM also designed the new 1,105 foot John Hancock Centre, which was boasted of as the second tallest building in tbe U.S. at the time of its completion. It is what some call a "mcgastructure" or a "microcity," for it contains a restaursnt, shops and a hank and skating rink on tbe concourse level, with more shops and parking area on the lower floors. There are 29 floors of office space and 48 floors of apartments. In the middle of the building are maintenance facilities, some speciality shops and service facilities as well as a swimming pool. On the top seven floors are placed televisioo and radio stations, utilities and an observatory. Although at present Chicago's tallest structure, it will eveotually hc outsized by the Sears, Rochuck building, which present predictions say will be the tallest in the world when completed.

The third building that is adding a new dimension to the Chicago skyline is the new First National Bank Tower, whicb, though not as tall as the Hancock or Sears buildings, is still twice the heigbt of the older architecture all around it. It is notable for its sweeping curves from base to summit and for its skeletal structure, a reflection, the architects claim, of some of the early Chicago school towers.

Not all of Chicago's modern buildings have been received with acclaim, but few bave raised as mucb controversy as the McCormick Place, an exposition hall and convention caotre named after Robert R. McCormick of the Chicago Tribune. Those wbo are not affronted by wbat many consider to be a poorly designed structure—one local magazine characterised the structure as "two concrete ginger snap boxes"—are distressed to see the $80m. complex gobble up park area and prized lake front land whicb far-sighted planners boped to preserve from such encroachments. Tha first hall was destroyed by fire in January of 1967, and althougb some people concede that the present buildings are better than the first, they are still far from pleased with the results, and C. F. Murpby Assocíates have been severely criticised.

The architecture of Chicago is not its only contribution to the fine arts of the U.S. It is impossible not to make mention of the Chicago Institute of Fine Arts, wbich bas one of the country's better museum collections, but a city is very mucb a concrete beast, and the impressions it leaves oo its residents and on its visitors often derive largely from the sbapes of the steel and concrete. For that reason alonc, Chicago has a unique place in the U.S.



The Marina City twin apartment towers (architects: Bertrand Goldberg Associates, 1964) on the north side of the Chicago River. The complex includes a theatre, an office block and a boat marina.

The Midwest Stock Exchange

By JUREK MARTIN

"The Midwest Stock Exchange," says Michael E. Tobin, its President, "is the major market making centre outside the New York Stock Exchange." This seemingly simple statement was in fact very carefully worded and spoken, with the stress coming heavily on the three words "market making centre," for it is in this area that the MSE believes itself different from any of the other stock exchanges in the country, and it is in its ability to provide markets that it feels its future lies.

On the surface there might appear to be little to distinguish the MSE from any other exchange. Like every other American market, it is a poor cousin of the New York Stock Exchange in terms of business and influence. The MSE's daily volume runs to about 5 per cent of the New York Stock Excbange. Dapending on which figures you look at, it is either the third or fourth largest exchange in tha country, ranking neck and neck with the Pacific Coast Exchange and behind the NYSE and the Americsn Exchange. At the end of last year, it listed for trading 665 issues, 75 of which were exclusive listings (generally large local corporations and financial institutions), while the remaining 590 were also listed on other exchanges (this group includes all the volume leaders on the NYSE).

All told, there are rather more than 430 members of tha MSE and about half of them belong to no other exchange. The price of a seat fluctuates quite a lot and in 1970, for example, the range was from $18,000 to $48,000. The exchange is perfectly bappy to have foreign firms as members (unlike the NYSE, at present). But it continues to oppose institutional membership, domestic or foreign, lika the NYSE but unlike two other regional exchanges, tha Pacific Coast and the Philadelphia - Baltimore - Washington.

Typical profile

Basically this is a pretty unexceptional profile of a typical regional stock exchange. But it is not, by a long chalk, the full picture of the MSE, which was founded, as the Chicago Stock Exchange, in 1882, which expanded in 1949 through the merger of three other markets and now has got some fairly positive ideas about its future. Michael Tobin and his associates take a certain delight in looking visitors coolly in the eye and predicting that in ten years time, capitalising on the great potential of central North America, the MSE will be doing 25 per cent as much business as the NYSE, not the 5-6 per cent it does to-day.

Their confidence goes back to Tobin's original statement—the ability of the MSE to "make a market." This is based in part on its technological competence, vested in its Service Corporation, which offers the largest computer time-sharing system designed exclusively for the securities industry, and its other subsidiary, the Clearing Corporation, which this year put on line an original stock trading concept known as continuous net settlement. What this offers is the virtual elimination of the manual handling of stock certificates (which has given brokerage houses numerous headaches as a result of failures to deliver tha certificates), substituting instead a procedure by which all sales and purchases of a given stock are continuously offset against each other and against the broker's opening position: all the broker has to do at the end of the day is to deliver, or accept, the net result of his activities in a given stock. With carrying costs thus cut to the bone and with less stock held up in transfer, it enables the broker to execute orders more quickly and more cheaply. When fully completed it is envisaged that this will be a national automated communications network, routeing orders to whatever exchange is desired (though with the MSE as its hnb), thus providing a virtually "locked in" order processing system.

Market maker

The MSE is careful to stress that these techaological advances do not mean the retirement of human forces in the market. Echoing tha McChesney Martin Report on the securities industry, Tobin believes that the role of the specialist—the classic market maker—must be preserved and expanded. Of course, it is assential to tha MSE's ambitious plans that the regional exchanges retain their autonomy: the Martin Report, while advocating a single national anction market, does not, per se, attack this concept: indeed, in recommending that all the exchanges operate under common ground rules, without losing their individual identity, what Mr. Martin proposed and what Mr. Tobin believes desirable are not that far removed from each other.

If there is one thing that tends to upset the MSE's executives it is that the exchange is simply not sufficiently well known, particularly overseas. There is a very good chance that this state of affairs will change over the next few years, if the MSE can translate its technological leadership and market-making abilities into the reputation it feels it deserves already.

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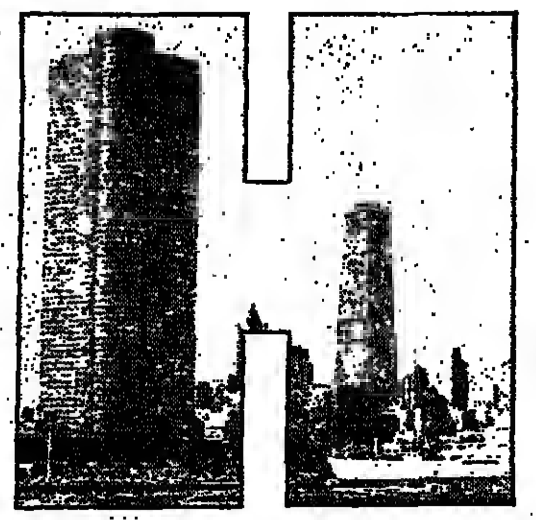
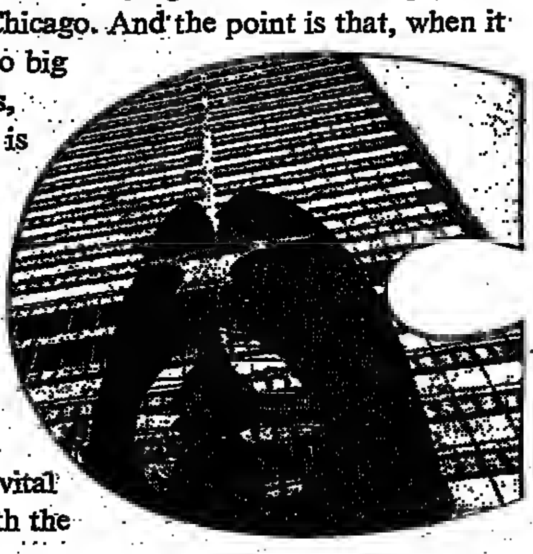
Chicago has the world's busiest airport. It is the world's largest inland seaport. It houses the world's biggest convention center. And, in the very near future, the world's tallest building will loom above the Chicago skyline.



Now, we are not trying to downgrade New York. (Far from it, we have a major banking facility of our own right in the heart of Manhattan.)

What we are trying to do is make a point about Chicago. And the point is that, when it comes to big business, nobody is bigger than Chicago. Because Chicago is the center of America's vital Midwest.



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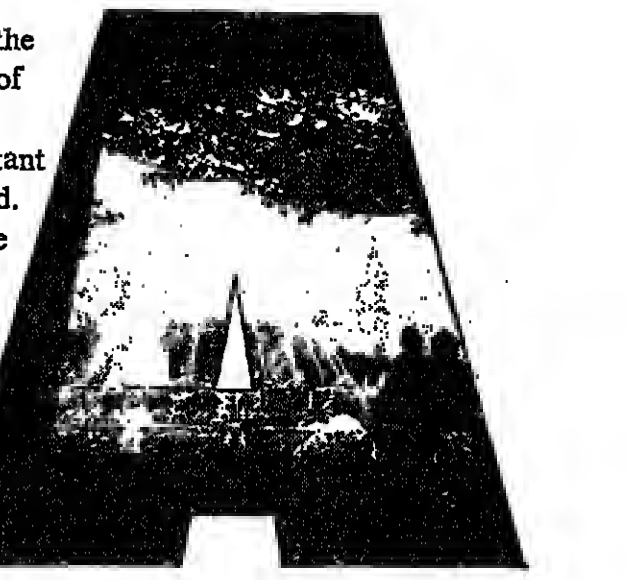

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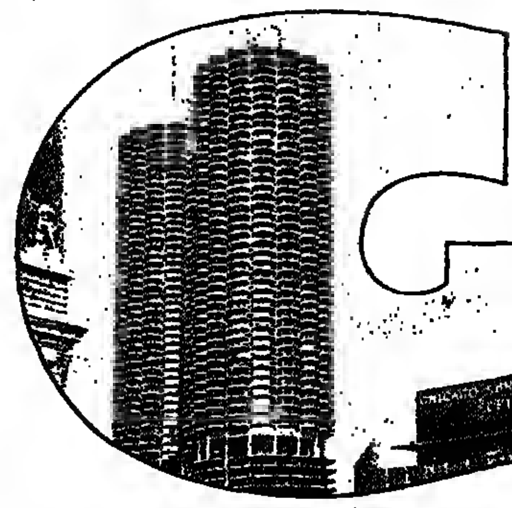

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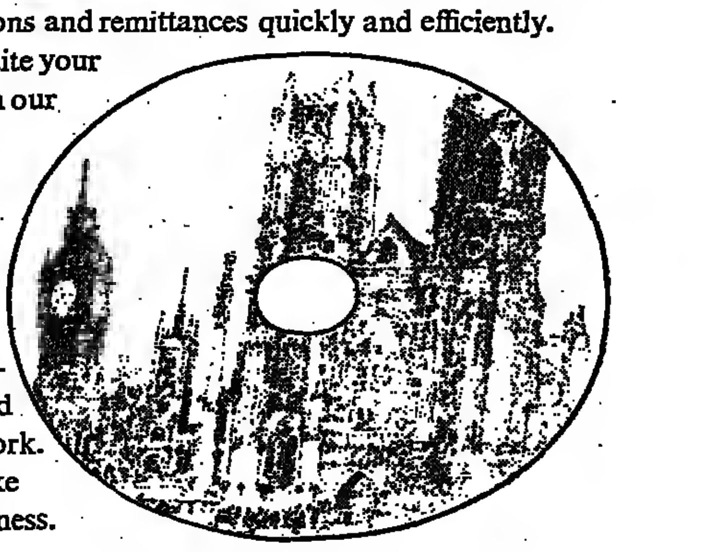

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CHICAGO IV

Mayor Daley: master of a city that works

By JUREK MARTIN

There are probably very few people in the United States and hardly any in the city of Chicago who have neutral feelings about Richard Joseph Daley, the very remarkable man who for the last 16 years has been Mayor of Chicago and who will be its Mayor for at least another four.

You either lova Mayor Daley or you hate him. If you hate him, you number among his detractors, who bave plenty of allegations that they regularly throw at him, including that he is by turns vindictive, nepotistic, bigoted, dictatorial, even tyrannical and an urban blight all to himself.

If, on the other band, you were not averse to Mayor Daley you would probably take a different tack. Ha might not be perfect, you would say, but nobody can gainsay what he has done for the city. It is a city that, unlike just about every other major city in the U.S. still works. It has the best credit rating of any major city in the country; its public works programmes have been impressive; its citizens bave the second highest per capita income in the country (behind only Washington and that only because of recent federal pay increases) and fewer of them are out of work than in just about any other big metropolis. Certainly, in a generation when America's cities have decayed to the point of despair, thera is plenty of evidence that Chicago bas deteriorated markedly less than any other.

Fifth term

Inside Chicago, at least, there is no doubt which viewpoint has the upper hand. Mayor Daley has been elected to his office five times: in the four yearly polls, from 1955 to 1971, he has chalked up respective majorities of 54, 71, 55, 73, and 70 per cent. Just about the only other mayor on the American continent with a record to match this is Jean Drapeau of Montreal, and it is perhaps no coincidence that Mayor Drapeau produces similarly intense feelings in Canadians as Mayor Daley does among Americans. Daley, like Drapeau, can afford to let much of the criticism vent itself on thin air.

There really is no secret as to why Mayor Daley can run Chicago whila John Lindsay has his problems getting things done in New York. In the words of David Stahl, the Deputy Mayor, it is "The ultimate art of the consummate politician." This means that the mayor wears two hats—as Mayor of Chicago and as leader of the all powerful Cook County Democratic Committee (which embraces Chicago)—and his power comes from the combining of these two posts, the first governmental, the second political. He has been mayor since 1955, Cook County Democratic Chairman since 1953.

Stahl explains how it works from the point of view of city politics: "We've got a city council of 50 aldermen: it's a non-partisan election, but 37 of those who got in ran with the support of the Cook County Democratic Party. That means we can count 37 votes if we want them. I go and talk to Lindsay's aides and they amaze me, they say they're lucky if they've got one or two lined up."

It all sounds like a very simple lesson in political mathematics. It is, of course, nothing of the sort. It is the fruit of a very complex interweaving of governmental and political power which all the world has come to know as "the machine." (the word "machine" is, incidentally, never used, at least not publicly, in City Hall. To the mayor's supporters, there is nothing sinister in this: it means that Mayor Daley has simply been able to get a consensus from the many different groups who make up Chicago—the ethnic communities, religious organisations and business interests—behind his plans for the development of Chicago.

Patronage system

To many other observers, however, the system is built on an intricate but magnificantly administered use of patronage. The Mayor did not introduce patronage to Chicago: in the 1930s there was probably greater job dispensation than to-day. Nobody, except possibly the Mayor bimself, knows precisely how many jobs he can control but, including city jobs and city contracting, it could be between 60,000 and 80,000. The Mayor may himself place some of the more important positions (thus giving rise to the most frequently beard criticism of nepotism). But the rest are generally farmed out to the Democratic Party ward bosses and precinct captains. They dispense the jobs (if they do not keep them for themselves) and in return they only ask of the recipient that he works for the Party when he is asked to. Under these circumstances there can be few more willing party workers. It is commonly believed in Chicago that the Mayor, who has a legendary memory, is the only man who thoroughly understands how the machine works and that when he goes it will collapse.

It is almost certainly idle to pretend as some of the Mayor's supportars try to, that this patronage does not exist. Indeed in the last analysis it could be maintained that it has contributed to the smooth running of the city over the years and therefore has been a beneficial influence. Others would argue that it has excluded from the life of the city many, especially the minorities, who suffer enough alienation in the U.S. anyway. But, ba that as it may, it has provided Mayor Daley with a superbly efficient political backing: and, what is more, it is not an aspect of city life that causes anything other than passing controversy, certainly not to the extent that topics such as the stata of the schools, or transportation or health become major issues in city affairs. Chicago, basically, has learned to live with it.

Mayor Daley

Basis for support

If this ia the basis for Mayor Daley's political support, it is by no means the only prop he can call on. Come election time, it is remarkable to see bow organisations like "Businessmen for Daley" proliferate. The Chicago establishment is not noticeably Democratic: it helped deliver the State of Illinois to Richard Nixon in 1968. But the blue chip Republicans feel no qualms whatsoever about ensuring the election of the Democratic Mayor of Chicago.

It is not surprising, for Chicago under Daley has prospered economically. There are problems which the Mayor has not solved—perhapa no Mayor could solve them. According to David Stahl, they are unemployment, underemployment, housing and education. No city is without them. But the overall impression is that Chicago people can swallow whatever misgivings they have about their Mayor. The city works, probably better than any other big city, and, in the words of Stahl, "it works because of Richard Daley."

The commodity exchanges

By JUREK MARTIN

If there is one area of business in which Chicago can state quite categorically that it is second to none, both in the U.S. and in the world, it is in providing a market for the trading of commodities. The Board of Trade and the Mercantile Exchange together account for about 80 per cent. of all the commodity trading in this country, and they are without doubt the most innovative and influential commodity markets in the world.

Ten years ago this was not the case. With the U.S. still enjoying a sizable agricultural surplus, the Board of Trade, the older of the two establishments, was barely trundling along, while the Mercantile Exchange was, frankly, just about on its last legs. The Mercantile Exchange, the good old butter and egg market, was probably saved from extinction by the introduction of pork bellies trading back in 1961 and was given a huge boost when it opened a market in live cattle futures in 1964: the revival has been such that last year the total value of all the contracts traded broke $40,000m. for the first time ever on a total volume of 3.3m. contracts (as recently as 1964 less than 250,000 such trades were recorded).

The Board of Trade, in friendly but quite intense rivalry with the Merc, has similarly benefited from the evaporation of the agricultural surplus, the impact of corn blight and its own ability to make markets. Last year was a banner year for the Board of Trade in its 123-year history: over 8.1m. contracts were exchanged, the best ever, worth $73,300m., exceeded only in 1966. By most yardsticks, therefore, the BOT has it over the Merc, though the latter, which is catching up fast, likes to point out that the dollar value of an individual contract on its market is larger than that of the BOT.

Seat prices

There can be few better indications of the rise in the commodities markets and the rosy future prospects than the prices of a seat on the two exchanges. A seat on the Merc now costs about $55,000, early double that of three to four years ago; a BOT seat has gone as high as $42,500 recently, though the current range is mora like $32,000, still well above the $15-$20,000 of few years back. These are the sorts of figures that more than justify the almost cautious words of Warren Lebeck of the BOT when ha says, "Commodity trading is on the threshold of much greater acceptance and use."

The future for the two markets is intimately tied to a very close examination of the possibility of trading in commodities that have not so far had a market. According to Dr. Mark Powers, the Merc's head of research, this bas to be a very thorough process, with detailed research weeding out perhaps 90 per cent. of the "ideas" for a new market that are put forward. The key lies in the presence of a "hedge" interest. According to Warren Lebeck, "we prefer not to start a contract where the industry involved is not at least neutral." The failures to create a viable market in a given commodity can invariably, according to both Powers and Lebeck, be traced to the lack of interest on the part of the producing industry to bedge its own bets. Powers argues that if the economic need is not there, the market probably will not work.

The two exchanges do not compete directly with each with respect to trading in individual commodities. There have been isolated occasions where one has been able to maintain a market in a commodity where the other has failed—as when the BOT picked up iced broilers after the Merc had dropped it. Both exchanges, particularly the more aggressive Merc, exhibit little sentimental attachment to markets that are not worth the effort: last year, for example, the Merc discontinued trading in onions, scrap iron, frozen shrimp and iced broilers. The name of the game is to admit a failure promptly and then get down to the task of replacing it with a better one.

Trading base

While both exchanges have their roots in straightforward agricultural commodities, there is plenty of evidence of a willingness to broaden the trading base. This is based partly on the desire for innovation, partly on the realisation that, particularly in the world wheat market, the hedging mechanisms of the Chicago market may become less important as exporters of wheat understand their international markets better. Thus the Board of Trade has recently introduced both plywood and silver futures trading, while tha Merc has gone into lumber. Also, as the agricultural commodity market has changed in nature, so has the trading facility provided by the exchanges. Once the egg market had switched from a cyclical to a year-round stable business the Merc switched its market from refrigerated to fresh eggs.

Thus it is apparent that the new age in commodity trading is very much being advanced by the two big Chicago exchanges. In order to accommodate the future, the Merc will soon be moving into a brand new building. And, given the investor interest in commodities both are trying to ensure that it will become a secure and respectable market: the Merc was the first to introduce a trust fund for the protection of investors and both are actively encouraging programmes for greater public awareness of how the commodity markets work.

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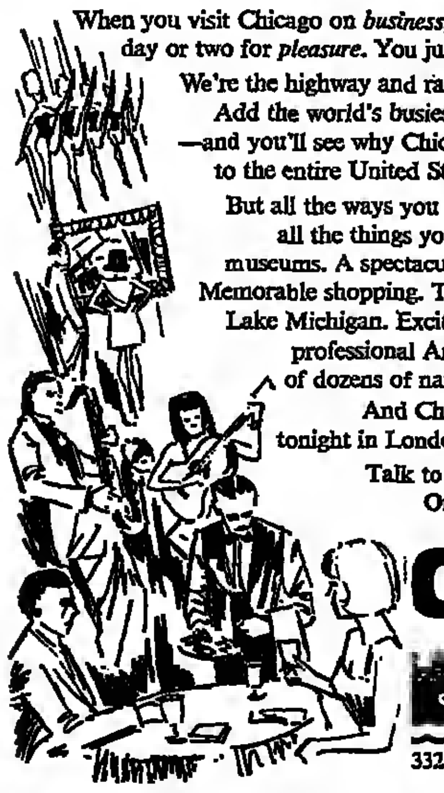

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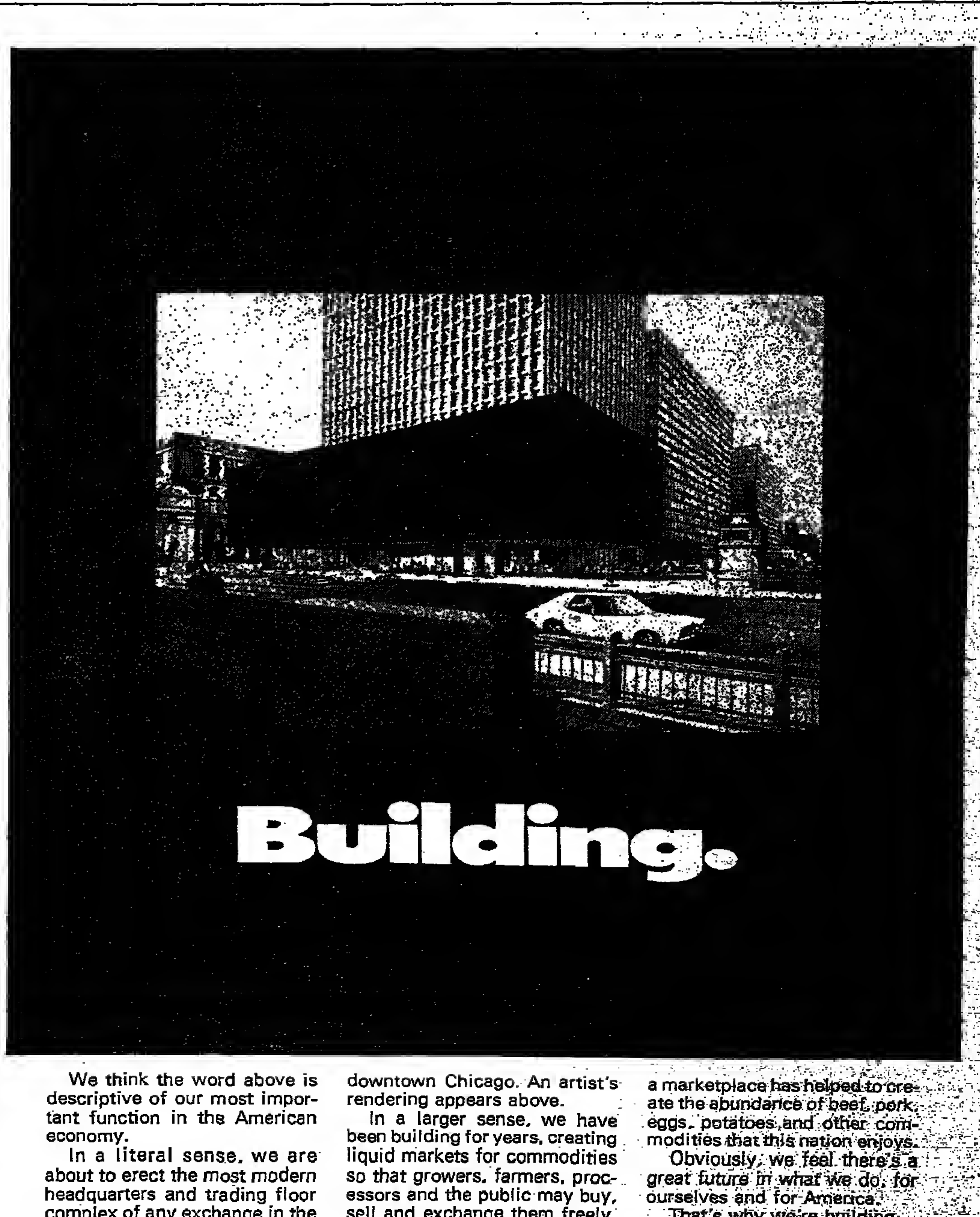

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FINANCIAL AND ACCOUNTANCY APPOINTMENTS

GENERAL APPOINTMENTS APPEAR TODAY ON PAGE 16

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COMPANY NOTICES

NORTH RIDING COUNTY COUNCIL BILLS

NOTICE IS HEREBY GIVEN that on September 8th, 1971, the North Riding of Yorkshire County Council issued £1 million North Riding County Council Bills at an average rate of $4\frac{15}{16}\%$ per annum. Those bills will mature on January 5th, 1972, and are the only North Riding County Council bills outstanding.

K. R. HOUNSOME, Treasurer.

O.K. BAZAARS (1929) LIMITED

NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the undermentioned dividends have been declared payable on the 30th September, 1971, to all holders of the respective classes of shares registered in the books of the Company at the close of business on the 10th September, 1971:

6% First Cumulative Preference Shares: Dividend No. 74—3%

5% Third Cumulative Preference Shares: Dividend No. 56—2½%

The usual non-resident shareholders' tax of 15% will be deducted where applicable.

The REGISTERS of members will be CLOSED in Johannesburg and London from the 11th to 19th September, 1971, both days inclusive, for the purpose of the above dividends.

By Order of the Board.
THOMSON McLINTOCK & CO.
Secretaries to the London Committee.
London Transfer Office:
33, King William Street,
London, EC4R 9EE.
7th September, 1971.

PIRELLI GENERAL CABLE WORKS LIMITED

NOTICE IS HEREBY GIVEN that the TRANSFER BOOKS of the 5½% and 7% Second Debenture Stock will be CLOSED for the preparation of interest warrants from the 16th to the 30th September, 1971, both dates inclusive.

BY ORDER OF THE BOARD,
O.T.C. POLLOCK, Secretary.

SOUTHEND-ON-SEA CORPORATION BILLS

£750,000 Southend-on-Sea Corporation Bills maturing on 8th December, 1971 were issued on 8th September, 1971 at a discount rate of $4\frac{15}{16}\%$ per annum. These are the only Southend-on-Sea Corporation Bills in issue.

CONTRACTS AND TENDERS

INVITATION FOR TENDERS
THE GOVERNMENT OF ABU DHABI

invites suitably qualified contractors to tender for the construction of the first section of the Abu Dhabi—Qatar highway (from Abu Dhabi to Tarif). The highway will be a single carriage way, approximately 112 kilometers long.

The tender documents can be obtained from the Consultants' offices, Messrs. Dar Al-Handasah Engineers & Architects (Shair and Partners) as from the 22nd August, 1971, at the following addresses:

P.O. Box 7159,	P.O. Box 823,
Verdun Street,	Sheikh Hamdan Street,
Sheikh Jabir Ali Building,	Mulla Building,
6th Floor,	1st Floor,
Beirut—Lebanon.	Abu Dhabi.

The tender period will be two months and details regarding the deposit and return of tenders, etc., can be obtained from the Consultants or the Ministry of Public Works.

WALL STREET + OVERSEAS MARKETS

Modest gains in cautious trading

BY OUR WALL STREET CORRESPONDENT

NEW YORK, Sept. 8.

MODEST GAINS wore scored on in rathor cautious trading on Wall Street to-day, while awaiting Prosldont Nixon's address to a joint session of Congress to-morrow.

The Dow Jones Industrial Avoraga furthor improved 4.46 to 920.93 and the NYSE All Common Indox rose 10 cents to $56.04, while gains led losses by 747-to-677. Trading volume, however, docreased 2.85m. shares to 14.23m.

While market observers are not fearful that ths Prosldont's speech will produce any "shocks," they do wanto listen to what bo will say.

Holping the Stock Market was a statement by Mr. Wilbur Mills, tho House Ways and Means Committee chairman, favouring making tho Investmont Tax Credit retroactive to April rathor than August as suggested by the Administration.

Also, Mr. John Counally, Treasury Sacrotary, said that the Presidont may givo aomo indication of further oconomic oolicies in his speech, although dotails of Phase Two of the programmo havs oot yet been decidod.

Blue Chips ware firm, while tho "Glamour" Group showed mainly small movomonts.

Genoral Motors, up $½ to $84⅜, foatured the Motor Group.

Stools wore narrowly mixed.

Among Oils, Standard Oil of Ohio lost $1 to $88¼—late in the session, tho chairman disclosed that ths company plans spending of up to $200m. for 1271, largoly on the planned Trans-Alaska pipelino and onviroomontal requiremonts. Ho also said tho North Slope could be producing crudo oil by mid-1275 if coustruction of tho pipelino starts next Spring.

Jesey Standard gained $1 to $73¾.

In tho Airlino Group, American eased $¼ to $36 and TWA ahed $⅜ to $32¼—both filed with the CAB for cuts in somo trans Continental fares. Eastern declined $⅞ to $20⅝—it is considered by dealers a morgor candidate among thoae carriers not yet seeking links. United foll $1⅛ to $39⅞ on a drop of 10.0 por cent. in revenue passengor milos in August.

Digital Equipmont gained $1½ to $81¾ on tho introduction of fivo large-scalo computora in its DEC 10 syatom family, which could account for 50 per ceot. of its businoss in the future.

Lockheed Aircraft rose $⅜ to $10¾ in tho Aorospace Group.

In Chomicals, Dupont added $1 at $157⅞, Dow Chemical gained $⅜ to $74⅞.

Somo Drug stocks gave ground, while Heavy Electricals showed little change.

Gold issues edged lower, probably in line with a retreat in the bullion price.

Heading the active list Crown Cork and Seal shed $½ to $19¼ on a late block of 286,200 shares.

Planning Research also active, droppod $1⅝ to $17⅞ on 173,700 shares. The company reported that it may have to take a writedown on its investment in International Reservations Corpn.

The American SE finished slightly higher, with tho Index up 7 cents to $25.69.

Hasbro Industries jumped $2¼ to $14¼, following an announcemont that it expects record salea and higher net earnings this year. It also signod an agreement with World Airways of California for an air shuttle for September, October and November from tho Far East to tho U.S. of some of its toy linoa.

OTHER MARKETS

Canada irregular

Canadian Stock Markots wore mixod in relatively activo trading yesterday morning. Western Oils, Banks and Utilities wore firm, but Industrials, Papers, Golds and Base Matala oased.

Falconbridge Nickol advanced $2 and Denison Mines put on $1.

PARIS—Most issues eased, with tho exception of Construction shares which held steady on reports of a substantial projected increase in public sector dovelopment spending under the 1972 National Budget.

CFP declined Frs.6.1 in Oils, ahead of tho terms of its capital increase.

Stores, Banks, Financials, Motors, Rubbers and Chemicals all fell.

General Motors were lower in Amoricans, while Germans and Belgians also dipped. International Minings wore mixed.

BRUSSELS—Well disposed in thin trading. Union Miniore rose Frs.10 among steady Metallurgicals. Solvay eased Frs. 20 in Chemicals.

Among Foreign shares, U.S. issues improved in line with Wall Street, while Golds eased but French, Gorman and Dutch stocks were little changed.

GERMANY—Markets were easier in limited trading, with some early gains erased on lack of follow-through support. Most leading issues lost up to DM2. Volkswagen lost DM5.50 and Veba fell DM7. Banks eased led by Bayerische Hypobank, which shed DM2.3.

Karstadt, declined DM4 and Schering DM3. But Metallgesellshaft recovered DM3. Bonds were firmer, particularly Public Issues.

AMSTERDAM — Internationals closed weaker.

Plantations and Shippings also continued easier, local Industrials extended thoir recent decline, Publishers wore lower, Banks and Insurances wore easiar, whilo Investment Funds were barely maintainod.

Bonds remained dull on tho Government's move to curb foreign purchases and also on the announcement of a new 8 per cent. 25-year Dutch Government Loan.

SWITZERLAND—Markets wore quietly firm. Swissair advanced Frs.8, Bally rose Frs.35. Chemicals were firm, whilo Alusuisse Bearer wore up in Metals.

State Bonds were littlo changed in quiot dealings.

In the Foreign sector, dollar stocks fluctuated in fairly active trading, with Dupont and Woolworth higher, while Burroughs and Chrysler each receded. German shares closed barely steady and Dutch stocks were little changed.

STOCKHOLM—Irregular trend.

MILAN—Generally lower after a steady opening. Assicurazioni Generali led insurances lower, dropping Lire 500 to 48,600. Industrials were also depressed following labour troubles at Fiat, which lost Liro 22 to 2,156. Oliverti, Pirelli, Montedison and Snia Viscosa all lost ground. Banks were also lower. Bastogi were an isolated firm spot in Financials at Liro 1,961 (1,774).

Bonds were quietly steady.

OSLO — Banks were barely steady. Insurances were quiot, whilo Industrials and Shippings were irregular.

VIENNA—Quiotly firm, led by Breweries. Banks held steady.

COPENHAGEN—Mixed, with a majority of gains.

JOHANNESBURG—Golds were easior on lack of interest.

West Driefontein lost 35 cents after announcing a production cutback. Mining Financials were easier. Platinums were generally lower and Coppers were dull.

Collieries were quiet, Industrials were easier on lack of interest.

TOKYO—Late "cheap" buying helped the market partially recover ground lost earlier, but the close was still substantially lower. Volume 100m. (140m.) shares.

The market was initially disheartened by reports that U.S. leaders would make strong economic demands to Japanese Ministers at the Cabinot lovel meeting in Washington later this week.

Electricals were particularly vulnerable. Matsushita Electric Industrial finished Yen 1 up at 412, after 405. Sony fell Yen 69 to 2,780.

Oils recovered, with Showa Oil up Yen 5 and Daikyo Oil up Yen 6.

Electric Power companies were also higher on expectations of maintained dividends. Tokyo Electric Power rose Yen 30 to 840. Kansai Electric Power were up Yen 12 at 826 and Chugoku Electric Power put on Yen 15 to 805.

AUSTRALIA — Mining shares were variable, with a weaker tone in "Heavyweights." Oils were slightly lower and Industrials were variable.

B.H.P. shed 22 cents to $12.6 despite news of expected higher profits in the current year.

Among Mining issues, Metals Exploration dropped 20 cents to $4, Peko Wallsend fell 30 cents to $6.30 and C.R.A. lost 22 cents to $6.45. M.I.M. firmed 3 cents to $3.08.

Poseidon dipped 50 cents to $19 and Queensland Mines came back 14 cents to $4.96 despite the slight revaluation of reserves at Nabarlek.

Pacific Copper added 10 cents at $1.90 and Pancontinental put on 3 cents at $1.08, but Spargos dropped 8 cents at 75 cents.

In Oils, Woodside gained 4 cents to $1.14 and its North-West Shelf partner Mid East were firm at 76 cents. Slightly lower were Vamgas at 34 cents, Southern Pacific 45 cents and Basin 19 cents.

Bank NSW firmed 4 cents to $5.80, while 3-cent gains were shown by T.N.T. at $1.68 and Tooheys at $1.85.

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport ‡	Indus. *	Util. Φ	Trading volume† 000's
Sept. 8	71.24	246.83	920.93	113.62	14,230
7	71.17	248.35	916.47	113.50	17,080
3	71.06	245.99	912.75	112.70	14,040
2	70.87	241.58	900.63	111.71	10,690
1	70.80	240.82	899.02	111.52	10,770
Aug. 31	70.73	239.51	898.07	111.68	10,430
30	70.74	240.22	901.43	112.28	11,140
27	70.85	241.82	908.15	113.05	12,490
1971 High	71.98	248.53	950.82	128.39	—

STANDARD AND POORS U.S. STOCK INDICES

	* Industrials	† Composite
Sept. 8	112.00	101.34
7	111.74	101.15
3	111.27	100.69
2	109.69	99.29
1	109.46	99.07
Aug. 31	109.40	99.03
30	109.96	99.52
27	111.06	100.69
26	110.90	100.24

AUSTRALIA

MELBOURNE YIELD INDICES

Av'ge yield on 60 Leading Stocks	Sept. 2	Aug. 26	Aug. 19
On Dividends	5.76	5.68	5.77
On Earnings	9.71	9.64	2.77

SYDNEY ALL ORD. INDEX

TOKYO

EUROPE

TORONTO

MONTREAL

JOHANNESBURG

OVERSEAS SHARE INFORMATION

Investment $ Premium 21⅛% (21⅛%)

NEW YORK

GERMANY

PARIS

MILAN

AUSTRALIA

TORONTO

MONTREAL

BRUSSELS

AMSTERDAM

SWITZERLAND

OSLO

VIENNA

TOKYO

STOCKHOLM

COPENHAGEN

JOHANNESBURG

MONEY + EXCHANGES

C ntinued shortage

Bank Rate 5% (Sept. 2, 1971)

Credit continued in short supply in the Discount market yesterday, and the authorities gave a very large amount of help, mainly by buying Treasury bills from banks and Discount houses, but partly by buying local authority and commercial bills. Among factors known to be against the market's favour were repayments to the Bank of England of the appreciable sum borrowed by houses the previous day, a net Treasury bill take-up, and gilt-edged settlements.

A rate of 4¾ per cent. was bid commonly for day-to-day loans, and 5 per cent. was reported to be bid in places. Even in the closing stages, there was no appreciable fall below 4¾ per cent. or 4½ per cent.

In the inter-bank market, overnight loans were at about 5¼-5½ per cent. for a good part, though 5 per cent. was touched in places in mid-morning, and late deals were done at 6 per cent. or so.

Northern Ireland Treasury bills to a value of £5m. will be taken up to-morrow at an average rate of discount of 4.9201 per cent. The tender for the bills earlier this week attracted applications of £43.2m., with bids at £98.77 and £98.77½ being met in both cases as to 66 per cent. A total of £10m. Northern Ireland bills will be outstanding to-morrow.

† Local authorities seven-days' notice, other seven-days' fixed. * Nominal longer term rates ... cent., four-years 7½-7¾ per cent., and five-years 7½-8 per cent. Bill rates in table are buying rates ... bills 4 15/16-5¼ per cent., and for 4-month trade bills as 3-month. Selling rate for 2-month Treasury bills ... 4 27/32 per cent., and for 3-month 4 57-64ths per cent.

Finance House Base Rates (published by the Finance Houses Association) 6½ per cent. from August 2.

EXCHANGES AND BULLION

Sterling was a shade easior on balance against the U.S. dollar in inter-bank dealings, closing at $2.4582-2.4588, against $2.4585-$2.4595 on Tuesday. Conditions were fairly quiet, a fact reflected perhaps in the narrowing of the spread between buying and selling rates quoted at the close. Euro-dollars were cheaper once more, but the dollar was firmer against a fairly wide range of major currencies, including the Dutch guilder, the Belgian franc, the German mark, the Italian lira, the Swedish krona, the French commercial franc and (particularly) the French financial franc. Swiss francs were a shade stronger, however. It is understood that Jamaican dollars continue to be quoted at 2 to the pound.

Gold was fixed at $41.32½ (£16.798) an ounce in London in the morning, and at $41.40 (£16.838) in the afternoon. A fairly good turnover developed. The closing quotation was at $41.50-41.70, down 5 cents. Gold coins were commonly unchanged, but old sovereigns eased to $12.60-12.75, from the previous $12.65-12.85. In Zurich, gold ended at at $41.35-41.55, down 20 cents on the day. In Paris, the 12½-kilogramme gold bar was fixed at Frs.7,205 a kilogramme at noon, equivalent to $42.04 an ounce at the financial franc exchange rate, and at Frs.7,210 ($42.06) in the afternoon. The one kilogramme ingot was fixed at Frs.7,220 ($42.12). Turnover at the Bourse meeting was Frs.2.1m. Hong Kong lowered gold 36 U.S. cents an ounce to $42.90.

FOREIGN EXCHANGES

EXCHANGE CROSS-RATES

EURO-CURRENCY INTEREST RATES

OTHER MARKET RATES

FORWARD RATES

KOSSET CUTS PRICES AGAIN

STOCK EXCHANGE REPORT

Equity profit-taking absorbed in a good two-way trade

Index 1.2 off at 429.6—Late fall in P & O Defd.

ACCOUNT DEALING DATES

Option First Dealings	Declarations	Last Dealings	Account Day
Aug. 23	Sept. 2	Sept. 3	Sept. 14
Sept. 6	Sept. 16	Sept. 17	Sept. 28
Sept. 20	Sept. 30	Oct. 1	Oct. 12

"New time" dealings may take place from 9.30 a.m. three business days earlier.

Tuesday's big demand for leading equities largely dried up yesterday, but there was still a good two-way business in lesser-known issues. Profit-taking was mostly absorbed by fresh buying and, in light of the 13.3 points rise in the Financial Times Industrial Ordinary share index over Monday and Tuesday, yesterday's fall of 1.2 to 429.6 was regarded as a stage of consolidation. Apart from profit-taking, there was little sign of selling, and institutional buyers were still keenly interested in any large lines of stock on offer. Long-dated Gilts also held fairly steady in the face of profit-taking.

P. & O. Deferred were a late dull spot on disappointment with the half-yearly profit figures, but Tube Investments, after initial hesitancy on the interim results, rallied to close well above the worst. Bank shares, which have been out of favour since last week's Bank Rate cut, were steadier again yesterday and closed with fresh gains up to 12p.

There was a fairly sharp contraction in the ratio of rises-to-falls in all FT-quoted Industrials to 2-1 (11-2), but bargains marked were still relatively high at 12,920 (13,858).

Gilts quieter

Gilt-edged became a quieter market ahead of to-day's start of dealings in the new long "tap" stock, Treasury 8¾ per cent. issued at 96. Only ¼ off in places, longs made a good showing in the light of the recent upsurge which, as measured by the F.T.-Actuaries 20-year Government stocks index, has seen the yield at this end of the market reduced from 8.76 per cent. to 7.90 per cent. in the five business days since Bank Rate was cut. Undated stocks eased ¼, but falls of this amount were seen in the mediums. A reasonable turnover was seen in the shorts, which made a firm start but came back to close without alteration. The short "tap," Treasury 6 per cent., 1975, ending unchanged at 98¾, after 98⅞. There was a good two-way business in Corporations, which closed little changed, while Southern Rhodesians held steady after the good rise over the past few days.

Rather more buying interest was shown for investment dollars and, in the absence of any further selling, the premium recovered ¼ to 21¾ per cent.

Banks good late

Home Banks opened a little easier, but then firmed up with prices moving ahead well in the late afternoon to finish up to 12p higher on the day, as in Lloyds, 589p. National and Commercial, however, retreated to 129p before closing a net 4p down at 134p. Discount Houses gained ground in places, with Gillett Brothers prominent at 288p, up 40p. Good gains in Merchant Banks were provided by Hill Samuel, 11p up at 145p, and Hambros, 15p higher at 365p. Cedar Holdings, after recent strength, eased 3p to 100p following the preliminary statement. Hire Purchases were generally firm, with Mercantile Credit recording a rise of 11p at 226p.

Insurances were quietly steady for most of the day, but Composites often advanced in the "after-hours" trading and Eagle Star ended 10p up at 438p and Phoenix 8p stronger at 266p.

Brewery leaders were inclined easier in quiet trading, but one or two second-line stocks gained ground. Hull met demand in a thin market and put on 20p at 198p, while Greene King gained 10p at 520p and Vaux rose 5p to 379p.

Leaders in the Building group generally held steady, but George Wimpey met profit-taking and gave up 6p at 202p. Sir Lindsay Parkinson were bought again but reacted to close unchanged at 200p after reaching a 1971 peak of 209p. Tilbury Contracting gained 10p to 170p, while John Finlan, 105p, Atlas Stone, 174p, International Paint, 134p, and Norwest Holst, 140p, were all around 5p better.

Northern Developments opened at 124p ex the scrip issue and closed at 117½p.

ICI moved narrowly and closed 2p easier at 333p while Fisons shed 4p at 326p; the latter's interim figures are due soon. On the full report, Kingsley and Keith hardened 2p to 63p.

Associated TV "A" improved 3p to 180p and Granada "A" were 7p better at 389p.

Blaskeys up on bid

On the agreed offer from Grimshawe-Windsor, Blaskeys rose 6p to match the cash alternative of 36p. Leading Stores to ease included Marks and Spencer, 307p, and Gussies "A," 438p, down 2p and 5p respectively. H. Samuel "A" improved 8p to 162p ahead of the half-time figures, and Customagic put on 2p to 20p in front of the results. H. Wigfall gained 11p to 165p in a small market and Freemans (London) saw continued speculative buying and moved up 7p more to 180p. Halwins came back 15p to 255p following the results.

Electricals stayed generally firm. EMI were an active market and, after Tuesday's 8p advance, improved afresh to 154p, before closing 4p up at 151p. Thorn closed 9p to the good at 439p, after 441p, also following a good business. Elsewhere in the leaders, however, conditions were quiet and GEC held steady at 157p. Plessey, at 132p, added 2p to the previous day's 5p rise. Robinson Rentals were notable for a gain of 15p at 450p and Farnell Electronics for a rise of 10p to 217p, while BSR closed 7p better at 383p. Advance Electronics ended 2p firmer at 140p on further consideration of the interim results. Decca, however, came back 9p to 203p.

Apart from special situations such as Tube Investments, which fell to 444p on the interim results before closing 8p down at 450p, and a sympathetic reaction in Guest Keen, 6p lower at 400p, the Engineering sector was strong. Sharp gains of 12p were seen in Anderson-Mavor, 97p, and Lake and Elliott, 120p, while there were numerous rises of 6p or so in Delta Metal, 102p, William Cook (Sheffield), 43p, Neepsend Steel, 124p, and McKechnie Bros., 81p, after 83p. T. W. Ward, a very firm market recently on brokers' circulars, improved further to close 8p up at 367p and, still reflecting the increased dividend and profits, Brasway rose 4p to 49p. Braham Patterson were also 4p better at 25p, while Stone-Platt, 67p, Imperial Metal Industries, 77½p, and Aerow "A," 220p, all scored 5p rises. On further disappointment with the lower profits, Rotherham-Tinsley reacted 3p more to 83p; the price published in yesterday's issue was incorrect.

Steetley react

Firm at 196p in front of the interim results, Steetley reacted to 174p on them before ending 16p off on the day at 177p. By contrast, Brammer were good at 125p, up 20p, while Press comment influenced a rise of 13p to 127p in Cawoods. Oliver Pell advanced 40p to 270p in a restricted market on the increased dividend and profits, while Minty responded to the half-yearly results with a rise of 5p at 42½p. Berwick Timpo moved up 13p to 203p, while gains ranging from 7p to 9p were recorded in Sealed Motor, 147p, Wm. Cory, 389p, AVP, 122p, and Leboff 70p. Hongkong shares made headway with Hutchison International, 242p, and Wheelock Marden, 167p, both rising about 15p. AGB Research improved 4p to 109p after the annual statement. AD International gained 3p to 89p on the half-yearly results, while B. and I. Nathan hardened 1p to 67p on the increased interim dividend and profits. Following Press comment, Glaxo reacted 8p to 428p. Dealings in Lines Bros. were suspended at ½p pending clarification of the company's position.

After the previous day's fall of 3p to 2p on news of the difficulties of two of its subsidiaries, Amalgamated Transport lost a further 1½p to ½p.

Associated Dairies were good at 312p, up 20p, following the results and proposed scrip issue. United Biscuits gained 5p more to 233p ahead of the interim statement, due soon, while Fox's Biscuits held steady at 35½p despite the poor results. On the chairman's forecast recovery, Oriel Foods put on 2p to 22p. J. Bibby improved 8p to 93p, while Tizer met renewed speculative demand and rose 4p more to 64p.

Ladbroke put on 5p more to a 1971 peak of 273p, after changing hands at 264p, while Clydesdale and Commonwealth were also 5p up at a peak for the year of 167p. In a smaller turnover, Grand Metropolitan eased 2p to 213p.

There were few noteworthy changes in the Motor sections. Leading issues showed small changes in either direction, but, following the lapsing of the Bristol Street Group bid, Bluemel Bros. fell 7p further to 80p. In Garages, a limited demand in a restricted market brought a sharp gain of 12p to 90p in Skipper Group.

Properties remained firm in a smaller turnover, closing with good features in Amalgamated Investment, 329p, and Warnford Investment, 160p, both up around 10p. Imry gained 15p at 235p. Bid speculation brought a 6½p rise to 62p in Grencoat. Samuel rose 4p to 245p and Alliance added 3p at 108p. Trafford Park lost a small early improvement following the results to close unaltered on the day at 85p, while Edger came back 7p to 173p, after 166p, on profit-taking.

In Papers, DRG were further supported up to 160p, a fresh 4p rise, but other leaders were little moved. Elsewhere, Delyn staged a 3p recovery to 34p. British Printing hardened 1p late to 26p on the Green Shield Trading Stamp order, and David S. Smith advanced 3p to 54p. Newspapers were occasionally higher.

Leading Oils had an unexciting day, drifting lower in moderate trading and then improving late to end a fraction harder on the day. Ahead of to-day's interim figures, British Petroleum eased to 596p before a close of 602p, a net 2p gain, while Shell finally added 1p at 390p. Burmah were unchanged on the overnight level of 420p, but Ultramar eased on sporadic selling to 306p, a loss of 4p.

Trusts improved further in places, but Tokengate Investment, at 228p, gave up 7p of the recent strong rise. "Ediths" put on 5p to 495p and Wood Hall Trust were 3½p firmer at 108p. Drakes were in renewed demand in Financials, ending 11p higher at a new peak for the year of 231p. Following Tuesday's late rise of 6p on the good first-half profits, Ralli International moved ahead further to 144p, but then reacted on profit-taking to 138p, down 3p on the day. Rises of 4p epiece were registered by Hambro Trust, 60p, and Knilton Investments, 76p, while London and Bombay ended 3p better at 84p, after 90p.

General Steam jump

Movements were mainly small and mixed in Shippings. General Steam, however, after the recent speculative advance, moved sharply higher by 225p to 900p on news of P and O's £9 per share cash bid for the outstanding minority equity. P and O Deferred, on the other hand, having initially risen to 175p, eased back to 172p on the bid news and subsequently, on disappointment with the "after-hours" interim statement, dipped to 165p for a loss of 5½p on the day.

Tobaccos saw another fairly lively day's business. "Bats" came back 5p to 343p, while "Imps" were inclined easier towards the close and ended ¼p lower at 94p. On the other hand, buying interest was shown in Carreras "B," ¼p better at 32p, while demand in a market short of stock left Gallaher 6p to the good at 133p.

There were several firm features in Textiles. J. Haggas put on 8p to 168p and J. Bright rose 3p to 38p. Bond Street Fabrics were wanted again at 70p, up 5p.

Interest in Poseidon

Further consideration of the joint venture with th U.S. Union Oil-Hanna-Homestake companies caused Poseidon to firm half a point to £10 in more active trading than has been seen for some time. Other Australians continued to deteriorate, especially the more established issues. Metals Exploration fell 12p to 188p, while Peko-Wallsend (380p) and New Broken Hill (420p) gave up 15p and 10p respectively.

Gold shares were also lower across a broad front, although the bullion price rallied after initial easiness to close almost unchanged on balance. Vaal Reefs lost 15p at 490p and St. Helena dipped 12p at 498p. Following news of the underground fire which has now been contained, West Drie were 10p lower at 875p.

Among Financials, "Johnnies" were ¼ up at £13¾ following the preliminary profit figures. In front of the higher half-year profits and encouraging forecast, De Beers were 2p lower at 213p. RTZ were 1p cheaper at 215p; the company has decided to suspend exploration activities at its Yorkshire potash venture.

The final quarter profits left Roan Consolidated unaltered at 282p, but London and to a lesser extent Cape demand added 20p to Botswana RST at 230p. Consolidated Murchison were finally 10p lower at 275p, recovering from 270p, owing to local interest.

FINANCIAL TIMES STOCK INDICES

—	Sept. 8	Sept. 7	Sept. 6	Sept. 3	Sept'ber 2	Sept'ber 1	A Year ago
Government Sec.	77.30	77.37	76.26	75.38	75.30	75.67	52.89
Fixed Interest	76.79	72.69	75.48	75.01	75.22	75.12	71.76
Industrial Ordinary*	429.6	430.8	423.2	417.5	418.2	413.0	338.2
Gold Mines	50.4	51.1	51.4	50.5	42.2	48.0	51.6
Ord. Div. Yield pc	5.57	5.55	5.65	5.67	5.66	3.71	4.33
Earnings Yield pc (a)	5.62	5.55	5.66	5.73	5.71	5.72	6.72
P.E. Ratio (a)	17.33	18.02	17.67	17.44	17.50	17.37	14.72
Dealings Marked	12,920	13,258	12,261	11,441	10,224	10,106	7,504

*10 a.m. 430.0 11 a.m. 430.6 Noon 430.1 1 p.m. 422.2 2 p.m. 422.1 3 p.m. 422.5

(a) Based on 40% corp. tax from March 30, 1971. Latest Index 01-243 9023

HIGHS AND LOWS

—	1971 High	1971 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	77.37 (7/9/71)	68.83 (4/1/71)	127.4 (9/1/35)	64.21 (11/6/69)
Fixed Int.	78.79 (8/9/71)	69.63 (4/1/71)	150.0 (28/11/47)	67.12 (11/6/69)
Ind. Ord.	430.9 (7/9/71)	305.3 (3/3/71)	521.2 (19/9/68)	42.4 (26/6/40)
Gold Mines	61.3 (15/3/71)	47.2 (31/8/71)	100.0 (12/9/55)	44.0 (13/1/70)

S.E. ACTIVITY

—	Sept'ber 8	Sept'ber 7
Daily—		
Gilt-Edged	202.0	222.3
Industrials	472.4	511.0
Speculative	130.3	146.7
Totals	294.1	312.2
5-day ave—		
Gilt-Edged	213.7	210.0
Industrials	437.4	416.0
Speculative	145.6	147.7
Totals	276.2	265.4

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. S.E. Activity July-Dec. 1942.

OFFSHORE AND OVERSEAS FUNDS (p★★★)

AUTHORISED UNIT TRUSTS (p★★★)

INSURANCE, PROPERTY, BONDS

STOCK EXCHANGE DEALINGS from the Official List for Sept. 8

Wednesday, September 8	12,920	Monday, September 6	12,261	Thursday, September 2	10,224
Tuesday, September 7	13,866	Friday, September 3	11,411	Wednesday, September 1	10,108

The list below gives the prices at which bargains done yesterday by members of the London Stock Exchange were recorded in the Stock Exchange *Daily Official List*. Members are not obliged to mark bargains except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business was done.

Bargains are recorded in the Official List up to 2.15 p.m. only, but later transactions can be included in the following day's Official List. No indication is available as to whether a bargain represents a sale or purchase by members of the public. Markings are not necessarily in order of execution, and *only one* bargain in any one security at any one price is recorded.

The number of dealings marked in each section follows the name of the section. Unless otherwise denoted shares are £1 fully paid and stock £100 fully paid. Stock Exchange securities are quoted in *pounds and fractions of pounds* or *in new pence and fractions of new pence*.

† Bargains at Special Prices. Δ Bargains done with or between non-members. ● Bargains done previous day. ‡ Bargains done with members of a recognised Stock Exchange. ♣ Bargains done for delayed delivery or "on buying-in." $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Me—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

BRITISH FUNDS, ETC. (938)

CORPN. & COUNTY—U.K. (131)

SHORT-DATED BONDS

PUB. BOARDS, ETC.—U.K. (26)

COMMONWEALTH GOVT. AND PROVINCIAL SECURITIES (82)

COMMONWEALTH CORPN. STOCKS (1)

FOREIGN STKS., BDS., ETC. (15)

CORPN. STKS.—FOREIGN (3)

U.K. AND COMMONWEALTH RAILWAYS (7)

FOREIGN RAILWAYS (3)

BANKS & DISCOUNT COS. (551)

BREWERIES & DISTILLS. (341)

CANALS & DOCKS (13)

COMMCL., INDUSTRIAL (7,585)

A—B

Brsid Gp. (5p) 31● 30¼
Brammer (H.) (20p) 199● 99 2
Brent Chem. Intl. (19p) 42½
Brickhouse Dudley (10p) 60●
Bridport-Gundry (20p) 40½●
Brierleys Supermkts. (10p) 86 8 0 90
Bright (John) Gp. (25p) 35¼● 7½
Bristol Plant (10p) 13¼. Do. New 1 13 ½ ¼ pm.
Bristol Street Gp. (29p) 130● 29● ½ 31 20
Britax-Excelsior (19p) 39½

C—D

Development Secs. 375
Dewhurst Partner (19p) 7½● 8●. A N-Vtg. (10p) 6¼● ½●
Dexion-Comino Internl. (10p) 31 30¼ 28 30
Dickinson Robinson Gp. (25p) 168 5 9 6 7. 7¼pcLn. 84¼
Dimplex Inds. (5p) 38½ 9¼ 8 ½
Dinkie Heel (5p) 17
Diploma Inv. (25p) 136●. 10½pcLn. 109●
Dixons Photographic (10p) 111 10. A (10p) 105

E—F

G—H

Hoveringham Gravels (25p) 69. Restricted Voting (25p) 34 5
Howard Wyndham (20p) 45. A (20p) 36 7 5½
Howard Shuttering (10p) 25
Howard Tenens (20p) 170
Howden Grp. (25p) 73● 4. 7¼pcDb. 78½● 9●
Hudson's Bay 940½p● 34● 8 8 40 35
Hyman (C. J.) (5p) 3¼

I—J—K

L—M

Monk (A.) (25p) 87● 80 88 9
Mono Containers (25p) 80
Monsanto Textiles 5pcStlg./DollarCnv.Ln. 90●
Moores Stores (25p) 32● 4 ½ 5 5
Morgan Edwards (10p) 38
Morgan-Grampian (25p) 134
Morris and David Jones (25p) 92 3
Morris (Herbert) (50p) 37 5
Morton Sundour Fabrics 5pc1stPf. 37
Moss Bros. (20p) 85
Moss Engineering Grp. (25p) 62
Moss (Robert) (10p) 148● 8 7

N—O—P

Q—R—S

T—U—V

W—Y—Z

ELEC. LIGHTING & POWER (3)

FINANCIAL TRUSTS, ETC. (488)

GAS (8)

INSURANCE (374)

INVESTMENT TRUSTS (738)

Balfour Beatty
CIVIL, ELECTRICAL & MECHANICAL ENGINEERS & CONTRACTORS
Randolph House • Wellesley Road • Croydon CR9 3QD

هكذا من الأصل

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of The Financial Times, The Institute of Actuaries and the Faculty of Actuaries in Edinburgh

	EQUITY GROUPS — GROUPS & SUB-SECTIONS (Figures in parentheses after sectional names show number of stocks.)	Wed., Sept. 8, 1971 Index No.	Day's Change %	With 40% Corporation Tax: Est. Earnings yield %	Est. Price/Earnings Ratio	Div. yield %	Tues. Sept. 7 Index No.	Monday Sept. 6 Index No.	Friday Sept. 3 Index No.	Thurs. Sept. 2 Index No.	Year ago (approx) Index No.	Highs and Lows Index 1971 High	1971 Low	Since compilation High	Since compilation Low
1	CAPITAL GOODS GROUP (184)	221.51	+0.3	5.65	17.08	3.68	160.96	158.61	157.62	157.47	117.43	161.51 (2/9)	103.03 (2/3)	181.50 (19/5/66)	82.82 (25/6/66)
2	Aircraft and Components (3)	122.86	−1.0	8.69	14.94	0.08	124.11	121.04	119.97	119.91	98.88	124.11 (7/9)	66.40 (3/3)	280.12 (23/9/68)	66.40 (3/3/71)
3	Building Materials (29)	163.94	+0.6	4.81	20.80	3.25	162.97	159.00	127.28	187.07	86.22	163.94 (3/9)	98.30 (2/3)	167.98 (20/9/68)	85.01 (25/6/62)
4	Contracting and Construction (19)	258.64	−0.5	6.27	18.98	2.85	259.08	253.03	248.61	249.23	187.52	259.08 (7/9)	152.53 (26/3)	259.08 (7/9/71)	84.39 (27/6/62)
5	Elctrls. (ex. Elctrn. Rad & TV) (13)	284.32	+0.2	4.99	20.03	2.90	285.23	280.99	280.67	278.43	199.23	284.32 (2/9)	174.23 (2/3)	350.11 (17/9/65)	84.71 (25/6/62)
6	Engineering (80)	148.04	+0.1	6.50	16.39	4.21	147.94	148.35	145.76	146.01	113.72	149.28 (28/7)	102.66 (2/3)	160.86 (19/8/65)	22.90 (26/6/62)
7	Machine Tools (15)	65.94	+0.4	7.55	16.01	6.08	65.69	25.33	65.44	65.48	65.00	68.50 (12/8)	43.88 (6/3)	132.70 (4/7/66)	43.85 (6/3/71)
8	Miscellaneous (25)	134.03	+1.8	7.54	13.26	4.30	131.92	130.70	130.40	130.14	111.86	134.63 (28/7)	94.18 (2/3)	144.87 (31/1/69)	69.01 (8/11/66)
9	CONSUMER GOODS (DURABLE) GROUP (56)	172.94	+0.8	4.87	20.53	2.88	176.76	176.80	174.88	174.34	130.03	172.94 (8/9)	117.33 (2/3)	197.87 (15/1/69)	79.28 (25/6/62)
10	Electronics, Radio and TV (14)	193.92	+1.4	6.18	19.61	2.28	191.26	189.33	186.88	184.84	143.92	123.92 (8/9)	128.51 (2/3)	199.86 (19/9/68)	71.10 (6/11/66)
11	Household Goods (15)	197.58	+0.6	5.92	16.68	3.33	196.42	199.92	122.67	121.66	123.81	187.08 (8/9)	115.92 (8/3)	197.68 (8/9/71)	26.65 (26/6/62)
12	Motors and Distributors (27)	120.50	−0.3	4.24	23.61	3.00	120.62	118.35	118.06	118.91	87.35	120.62 (7/9)	78.91 (2/2)	170.59 (15/1/69)	75.92 (24/10/62)
13	CONSUMER GOODS (NON-DURABLE) GROUP (175)	171.56	+0.1	6.28	18.96	3.56	171.23	166.29	165.90	166.24	116.04	171.60 (6/9)	112.17 (3/4)	171.35 (8/8/71)	23.71 (8/11/66)
14	Breweries (21)	200.76	−0.2	6.61	19.94	3.21	261.12	197.61	195.54	196.06	118.23	201.19 (7/9)	125.30 (4/1)	201.12 (7/9/71)	20.32 (30/6/66)
15	Wines and Spirits (7)	178.22	−1.8	5.60	17.24	6.89	183.24	178.94	174.28	177.91	140.34	128.03 (14/7)	142.41 (4/1)	126.05 (14/7/71)	118.78 (15/6/70)
16	Entertainment and Catering (15)	218.04	+1.7	6.69	14.96	3.56	214.34	206.47	200.78	803.08	122.48	218.04 (8/9)	177.99 (2/3)	831.89 (21/1/69)	20.11 (23/7/62)
17	Food Manufacturing (24)	149.71	+0.4	8.33	18.75	6.63	149.12	147.33	146.10	145.21	105.66	149.71 (8/9)	99.74 (2/3)	171.64 (31/1/69)	93.98 (15/6/70)
18	Food Retailing (17)	153.18	+1.8	6.07	19.78	6.29	150.38	144.10	143.28	144.09	99.57	183.10 (2/9)	100.23 (2/3)	163.68 (7/6/68)	84.62 (27/6/70)
19	Newspapers and Publishing (15)	148.38	+0.7	5.86	17.11	4.74	147.30	145.57	144.24	143.49	106.44	148.32 (6/7)	101.56 (13/1)	184.86 (28/1/69)	81.74 (23/7/62)
20	Packaging and Paper (16)	125.27	+1.0	6.18	16.23	4.14	123.87	120.73	120.22	120.03	103.52	126.27 (8/9)	86.81 (2/3)	134.63 (2/1/69)	87.91 (25/6/62)
21	Stores (30)	162.80	−0.8	4.19	23.84	2.87	163.12	161.56	157.81	158.09	100.66	163.18 (7/9)	104.48 (2/3)	153.19 (7/9/71)	72.74 (5/11/6[illegible])
22	Textiles (21)	182.65	−0.3	6.41	18.49	4.94	183.27	179.36	177.87	178.66	133.31	183.97 (7/9)	137.81 (2/3)	253.79 (17/9/68)	89.90 (20/7/62)
23	Tobacco (3)	247.38	+1.7	8.83	11.33	6.34	243.35	238.91	237.93	238.00	186.23	254.47 (27/7)	176.98 (20/1)	305.02 (30/1/69)	94.34 (13/6/62)
24	Toys and Games (6)	45.24	+0.5	0.88	115.41	3.30	46.01	45.12	46.23	46.23	61.61	69.03 (12/1)	45.01 (7/9)	135.78 (16/1/70)	45.61 (7/9/71)
	OTHER GROUPS														
25	Chemicals (19)	198.86	−0.7	5.04	19.84	6.27	200.29	195.01	122.88	193.68	140.39	200.29 (7/9)	138.18 (10/2)	261.88 (31/1/69)	83.29 (25/6/62)
26	Office Equipment (10)	201.61	−0.8	6.47	28.83	1.49	208.80	198.78	198.16	187.02	138.81	812.05 (16/7)	153.52 (15/2)	812.65 (16/7/71)	109.12 (26/5/70)
27	Shipping (10)	331.06	−0.6	8.03	12.45	4.99	332.60	327.31	325.44	323.85	318.20	332.60 (7/9)	962.76 (16/4)	355.44 (8/10/70)	90.80 (29/6/62)
28	Miscellaneous (unclassified) (44)	194.48	+0.3	6.47	18.27	3.64	186.78	190.47	188.68	188.46	129.82	194.42 (3/9)	128.55 (2/3)	194.42 (8/9/71)	75.82 (8/11/66)
29	INDUSTRIAL GROUP (498 SHARES)	178.45	+0.1	6.33	18.77	3.44	170.34	173.29	171.40	171.52	—	170.46 (8/9)	120.61 (2/3)	176.45 (8/9/71)	126.61 (2/3/71)
30	Oil (2)	342.45	+0.3	0.91	16.82	3.68	341.45	340.00	333.36	333.64	275.72	363.50 (27/7)	260.74 (2/3)	431.66 (29/5/68)	87.23 (29/5/62)
31	500 SHARE INDEX	190.63	+0.1	0.41	18.47	3.47	190.44	187.51	186.25	125.36	136.32	190.63 (8/9)	132.46 (2/3)	193.73 (31/1/69)	84.86 (26/6/62)
	FINANCIAL GROUP (121)	177.75	+0.9	—	—	8.70	176.16	173.95	173.10	173.12	111.27	177.75 (8/9)	119.73 (10/2)	177.75 (8/9/71)	62.32 (30/8/65)
	Banks (6)	179.88	+1.0	7.07	13.04	8.82	178.14	176.00	180.34	182.60	101.80	182.94 (27/7)	101.68 (6/1)	188.94 (27/7/71)	09.25 (16/6/64)
	Discount Houses (6)	181.30	+1.8	—	—	4.88	178.44	170.65	172.38	179.04	118.49	181.36 (8/9)	136.72 (16/1)	181.38 (8/9/71)	87.65 (18/6/68)
	Hire Purchase (6)	306.24	+2.8	4.09	24.46	2.80	298.66	294.89	287.23	228.40	176.61	306.24 (8/9)	168.67 (18/1)	306.24 (8/9/71)	80.02 (3/6/65)
	Insurance (Life) (9)	161.28	+0.2	—	—	2.08	160.96	158.84	166.18	163.98	113.66	101.28 (8/9)	123.10 (18/1)	161.28 (8/9/71)	81.35 (30/8/65)
	Insurance (Composite) (9)	138.48	+1.6	—	—	3.12	168.35	133.94	133.01	132.50	80.98	138.48 (3/9)	88.80 (10/2)	138.48 (8/9/71)	54.40 (16/5/62)
	Insurance (Brokers) (11)	180.07	−0.9	4.88	20.80	2.41	181.09	177.61	172.41	189.12	100.88	181.09 (7/9)	118.27 (4/1)	181.09 (7/9/71)	82.59 (24/7/68)
	Investment Trusts (20)	208.33	+0.3	8.81	35.08	2.02	201.66	200.21	199.06	198.07	147.44	202.33 (2/9)	152.18 (2/3)	215.04 (31/1/69)	80.84 (26/6/62)
	Merchant Banks, Issuing Houses (14)	180.74	+1.8	—	—	8.14	177.61	176.43	172.63	172.48	118.58	180.74 (8/9)	108.44 (16/3)	181.20 (14/2/69)	50.47 (15/7/65)
	Property (31)	223.51	+0.6	2.70	37.03	2.20	222.83	220.36	217.74	218.97	143.07	225.72 (25/8)	139.37 (8/3)	220.72 (26/8/71)	56.61 (20/4/66)
	Miscellaneous (9)	182.19	+1.9	6.60	17.87	4.06	178.65	172.49	170.93	170.95	—	182.18 (8/9)	120.73 (4/1)	182.19 (8/9/71)	126.06 (31/12/70)
	ALL-SHARE INDEX (621 SHARES)	187.32	+0.3	—	—	3.29	186.78	184.03	188.13	182.21	130.00	187.32 (8/9)	129.47 (2/3)	187.32 (8/9/71)	44.72 (26/6/62)
	COMMODITY SHARE GROUPS (Not included in the 500 or All-Share indices)														
	Rubbers (10)	216.52	+0.4	10.61	9.42	8.20	214.73	211.78	210.71	209.88	141.13	234.12 (11/8)	163.09 (7/4)	234.12 (11/8/71)	84.68 (25/6/65)
	Teas (10)	96.21	+1.6	16.14	0.01	9.61	94.70	93.08	93.88	83.63	74.60	96.21 (8/9)	78.71 (3/3)	114.64 (14/5/64)	58.96 (14/11/66)
	Coppers (4)	327.46	+1.0	54.21	1.84	15.08	324.36	321.81	321.81	681.36	264.41	350.50 (12/7)	235.80 (21/1)	350.50 (12/7/71)	94.08 (29/4/62)
	Mining Finance (11)	23.88	−0.7	6.07	16.48	3.58	93.94	93.81	83.96	94.01	132.89	106.72 (7/1)	92.68 (9/1)	175.90 (28/4/68)	92.68 (8/1/71)
	Tins (8)	71.29	+0.4	11.15	8.98	8.80	71.04	71.04	71.10	71.33	60.05	74.77 (20/7)	62.11 (4/1)	108.97 (29/6/68)	54.83 (27/5/70)

FIXED INTEREST	Wed., Sept. 8 Index No.	Wed., Sept. 8 Yield %	Tuesday Sept. 7	Monday Sept. 6	Friday Sept. 3	Thurs. Sept. 2	Wed. Sept. 1	Tuesday August 31	Year ago (approx.)	1971 High	1971 Low	Since Compilation High	Since Compilation Low
Consols 2½% yield	—	8.79	8.76	8.21	9.02	9.02	8.10	8.18	9.46	—	—	—	—
20-yr. Govt. Stocks (6)	81.98	7.90	81.89	81.18	80.88	80.60	79.70	78.50	78.54	81.96 (8/9)	70.60 (4/1)	115.42 (11/9/63)	68.43 (15/6/70)
20-yr. Red. Debentures & Loans (15)	70.81	9.74	70.41	74.90	74.34	74.20	73.98	73.82	70.63	75.61 (8/9)	68.48 (4/1)	113.43 (23/10/63)	66.59 (16/6/70)
Investment Trusts Prefs. (15)	72.10	16.24	72.16	71.79	72.07	71.97	71.81	71.91	71.25	72.10 (7/9)	66.23 (11/1)	114.41 (15/8/63)	66.23 (11/1/71)
Commercial and Industl. Prefs. (20)	75.79	10.18	76.78	75.65	75.65	70.04	74.36	74.82	75.00	75.79 (8/9)	69.02 (13/1)	114.41 (7/10/63)	69.62 (13/1/71)

ection or Group	Base Date	Base Value
d Manufacturing	29/12/67	114.13
d Retailing	29/12/67	114.13
irance Brokers	29/12/67	96.67
ing Finance	29/12/67	100.00
oo and Spirits	16/1/70	144.76
s and Games	16/1/70	135.72
e Equipment	16/1/70	162.74
istrial Group	31/12/70	128.20
cellaneous Financial	31/12/70	120.06
Other	10/4/62	100.00

‡ Redemption yield.

F.T.-Actuaries indices are calculated by Extel-Communications Limited (a member of the Exchange Telegraph Group) on an IBM 360 computer.

A current list of constituents of the F.T.-Actuaries Share Indices can be obtained from the Publisher, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p. By post inland 16p. Commonwealth 16p. Foreign 19p.

CONSTITUENT CHANGE: Cunard has been replaced by Shipping Industrial Holdings (Shipping) and Truman Hanbury (Breweries) has been replaced by Coral (J.) Holdings (Entertainment and Catering).

LEADERS AND LAGGARDS

e following table shows the percentage changes* which have taken place since December 31, 1970, in the incipal equity sections of the F.T.-Actuaries Share Indices. It also includes the F.T. Gold Mines index.

	Change %		Change %		Change %		Change %
ks	+74.25	Chemicals	+41.19	Discount Houses	+34.98	Textiles	+21.19
sehold Goods	+59.30	Property	+41.05	*500 Share*	+34.37	Entertainment & Ctrg.	+19.46
ding Materials	+57.45	Electricals (ex. Elctrn. Radio & TV)	+39.90	Aircraft & C'mponents	+33.30	Packaging & Paper	+19.19
Purchase	+57.08	*Consumer Goods (Non-durable) Group*	+39.07	Tobacco	+33.09	Oil	+18.43
chant Bks., Issuing ouses	+55.48	Newspprs. & Publishg.	+38.97	Electronics, Radio and TV	+31.10	Tins	+14.71
rance (Brokers)	+53.25	*Industrial Group (498 shares*	+37.55	Coppers	+30.75	Machine Tools	+12.04
tract. & Construc.	+51.60	*Capital Goods Group*	+37.52	Rubbers	+29.87	Teas	+10.95
veries	+51.33	Motors & Distributors	+37.25	Engineering	+29.79	Shipping	+8.40
rance (Composite)	+50.86	*All-share Index*	+37.07	Office Equipment	+27.29	Gold Mines F.T.	−4.13
es	+47.70	*Consumer Goods (Durable) Group*	+36.31	Investment Trust	+27.19	Mining Finance	−9.01
ncial Group	+46.71			Wines and Spirits	+26.87	Toys and Games	−31.79
Manufacturing	+45.48			Insurance (Life)	+25.97		
Retailing	+41.88						

*Percentage changes based on Tuesday, Sept. 7, 1971 indices.

Kingdom Overseas (25p) 41
States Deb. Corp. (25p) 84 2½ 8 ½
nv.Uns.Ln. 1070 7 6
m Stockholders (5p) 48 7 ½
ottom Tst. (25p) 205
(25p) 98 7 ½ 8 ½ Assd. to 8
1 100 10 ½ 5½pcPf. 33. 5½pc
74. 8pcCnv.Db. 90½ 1½
an Inv. Tst. (25p) 165
[illegible]

UNIT TRUSTS (9)

[illegible]

ON, COAL & STEEL (114)

[illegible]

Wheesoe (25p) 66 5 4½ 4
Woodhouse Rixon (Hldgs.) (12½p) 37½

MINES

Australian (46)

Broken Hill South Stk. ($A0.50) 147 5
Great Boulder Mines ($A0.10) 73 2
Hampton Gold Mng. Areas (5p) 116
Hampton Props. (5p) 28
M.I.M. Hldgs. ($A0.50) 141 T 40 38
New Broken Hill Consd. (25p) 425 15
North Broken Hill ($A1) 68 6
[illegible]

Miscellaneous (141)

[illegible]

St. Piran Mng. (25p) 53½
Selection Tst. (25p) 885 70 87 5
Southern Kinta Consold. (10p) 84½
Southern Malayan Tin (25p) 85½ 4½
Tehidy Mins. (10p) 38
Tronoh Mines (25p) 55½

Rhod. & E. African (41)

Botswana RST (R2) 215 10 15 10 30
Roan Consold. B (K4) 279
Tanganyika Concessions (50p) 183. 9pc Pf. (80p) 82 6
[illegible]

South African (180)

[illegible]

West African (3)

[illegible]

Diamond (58)

[illegible]

St Helena (R1) 485
Sentrust Beperk (R0.10) 66 8 5
Southvaal Hldgs. (R0.50) 145 40 2. Opt. Certs. 110
Sub-Nigel (R0.02½) 51
Transvaal Consolidated (R1) 288
Tweefontein United (R0.50) 118
U.C. Investments (R1) 128
Union Corp. (R0.06¼) 185 60 3 8 8
Union Platinum (R0.10) 112
Vaal Reefs (R0.50) 508 497 95 90
Venterspost (R1) 91½ 30
Vereeniging (R2) £10½ 10 ½
[illegible]

OIL (333)

[illegible]

BURMA MINES LIMITED

Interim Unaudited Statement

Loss before Taxation for the six months ended 30th June, ... £1,039 (1970 Profit £2,444). Foreign Tax unrelieved ... £70 U.K. Taxation £2,219). Dividend Nil (1970 same). Loss ... 331 (1970 Retained Profit £2,025). Net asset value at 30th June, ... per 17½p share taking investments at market value including ... of the London dollar premium, but excluding claim against ... Government of Burma, was 6½p (30.6.70 4½p).

...chester House, 77 London Wall, ... DON EC2N 1DH. ... September 1971.

C. T. Fry, Director.

Option Report and three-month "Call"-rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Sept. 1	Sept. 13	Nov. 25	Dec. 7
Sept. 14	Sept. 27	Dec. 9	Dec. 21
Sept. 21	Oct. 11	Dec. 23	Jan. 4

After a fairly active day on Wednesday, the Option market became quieter and saw only a moderate business. "Calls" were dealt in in Grand Junction, Ladbroke, AGB, Research, European Ferries, Cannon Street Investments, Poseidon, Hampton Areas, GEC, Freemans (London), Allied Suppliers, Minster Assets, AVP Industries, Burmah Oil, Ready Mixed Concrete, Pontin's, J. H. Vavasseur, S. Flavel, Metals Exploration and J. Finlan.

No "puts" were recorded but double options were arranged in GEC and EMI.

Prices in pence unless otherwise stated.

Industrials						Mines	
		G.U.S. "A"	22	Reed Intl.	22		
		Guardian	14	Slater Walker	20	Anglo Amer.	30
A. P. Cement	18	Guest Keen	20	Tesco	5	BrokenHillProp.	68
Barclays Bank	35	Hawker Sidd.	20	Thorn 'A'	26	Charter Cons.	22
Beecham	12	Hay's Wharf	26	Tube Inv.	25	CharterhallFin.	4
Boots Drug	11	HouseofFraser	17	Unilever	20	Cons. Gold	28
Bowaters	15	I.C.I.	17	Utd Drapery	10	De Beers Def.	10
B.A.T.	20	"Imps"	2	Vickers	7	F. S. Geduld	62
British Leyland	3	I.C.L.	20	Woolworth	6	Great Boulder	20
British Oxygen	3	Inl. Stores	7			Hampton Areas	15
Burton "A"	16	Invereak Paper	5	Property		Hampton Props.	9
Bntlin'n	3	Jessel Secs.	26	Cap Counties	18	Kloof	20
Cadbury's	7	Legal&General	22	Land Securities	12	Lonrho	10
Cannon St.	5	Lloyds Bank	35	Peachey	7	Loraine	5
Courtaulds	10	"Lofs"	6	Star (Gt. Brit.)	20	Metals Explor.	26
Debenhams	14	"Mams"	12	Town&City	02	Newmetal	2
Distillers	11	Marks& Spencer	18	Town&Comm.	14	Poseidon	22½
Dunlop	13	Metal Box	22			Pres. Steyn	20
EMI	12	Midland Bank	35	Oils		Rio-T.Zinc	18
Plessey	19	NatWest Bank	35	Brit Petroleum	36	Welkom	15
G.R.A. Trust	10	P. & O. Defd.	16	Burmah Oil	35	West Areas	2
Gen. Accident	20	Rank Org.	[illegible]	Oil Search	5	Western Hldgs.	18
General Electric	8	Ralli Intl.	11	Shell	[illegible]	Zambia Copper	7
Glaxo	25	Rank Org. "A"	32	Ultramar	[illegible]		

[illegible]

PROPERTY (531)

[illegible]

RUBBER (75)

[illegible]

TEA & COFFEE (22)

[illegible]

TRAMWAYS & OMNIBUS (5)

[illegible]

WATERWORKS (9)

[illegible]

SPECIAL LIST

SEPTEMBER 8 (6)

[illegible]

RULE 163 (1) (e)

Bargains marked under Rule 163 (1) (e) in securities for which quotation has not been granted and which are not recorded in the Official List.

SEPTEMBER 8

[illegible]

ERRATA

[illegible]

CORAL INDEX

Close 429-434

NEW 'HIGHS' AND 'LOWS' FOR 1971

New "Highs" which have ... numerous ... attained by 294 ... listed below in their sub-sections. New "Lows" totalled 7.

NEW "HIGHS" (294)

BRITISH FUNDS (3)
COMMONWEALTH AND AFRICAN LOANS (5)
PUBLIC BOARD AND OTHER LOANS (1)
AMERICANS (1)
CANADIANS (2)
BANKS (10)
BEERS (3)
BUILDINGS (21)
CHEMICALS (2)
DRAPERY AND STORES (15)
ELECTRICALS (13)
ENGINEERING (20)
FOODS (5)
HOTELS (5)
INDUSTRIALS (52)
INSURANCE (7)
MOTORS (5)
NEWSPAPERS (5)
PAPER AND PRINTING (7)
PROPERTY (18)
SHIPPING (1)
SHOES (1)
TEXTILES (5)
TRUSTS (54)
UTILITIES (1)
OILS (2)
TEAS (2)
MINES (1)

NEW "LOWS" (7)

ELECTRICALS (1)
Phillips' Lamp
ENGINEERING (1)
Desoutter
MINES (4)
Gt. Boulder · New Broken Hill
Metals Explm. · Geevor

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	8	11	26
Corps. Dom. and Foreign Bonds	24	8	101
Industrials	526	268	930
Financial & Prop.	198	58	239
Oils	6	10	14
Plantations	9	1	78
Mines	13	54	115
Recent Issues	21	11	57
Totals	805	421	1,630

China may buy more British jets

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE Hawker Siddeley sales team which recently successfully negotiated the £20m. deal for the supply of six Trident Two jet airliners to Communist China, believes that further sales of British jets to that country will become possible in the future.

The team, led by Mr. John A. W. Johnstone, executive director, marketing, of Hawker Siddeley Aviation's Hatfield division, and Mr. J. S. Paterson, commercial manager of Hawker Siddeley Aviation at Hatfield, arrived back in the U.K. from China last Saturday, having spent the best part of the past six months there negotiating the deal.

Mr. Johnstone said that throughout their long stay in China, they were invariably treated courteously by the representatives of the Chinese Import/Export Machinery Corporation, who were their hosts.

No details

The Chinese, however, revealed no details of their own airline activities, which was contrary to the usual experience of Western airliner salesmen dealing with Western aircraft manufacturers.

The entire negotiations were conducted on a technical and financial level in an office in Peking and at no time was the Hawker team able to visit the airline—the Civil Aviation Administration of China—to see where and how it operated, or to visit Chinese aircraft manufacturing facilities.

It is estimated that Hawker Siddeley had to spend well over £100,000 directly in winning the order—in fares, cost of hotels, documentation and so on.

From what the team could glean about Chinese aviation activities, it appears that their aircraft are scrupulously well maintained.

The Viscount airliners sold by Britain to China some years ago appeared to be in spotless condition. Also, it appeared that the Chinese airline had a 100 per cent. safety record. The Hawker team was unable to discover just how the Chinese intended to use their Tridents — whether they would be used on long-range international flights, for example, or purely on internal routes.

Mr. Johnstone said he thought the Chinese would probably want to buy more British aircraft eventually "and, hopefully, Hawker Siddeley may be able to provide them. We gave them details of our other aircraft—the HS-748 feeder-liner, the HS-125 executive jet and the A-300B airbus."

Finally, Mr. Johnstone paid a special tribute to the British diplomatic mission in China, whom, he said, were "of tremendous help in every way. We owe them a great vote of thanks for all that they did for us."

REGIONAL MARKETS

Prices in pence and denominations of 25p unless otherwise stated

BELFAST

B'fastC3½%1975	£96	......
B'fast Rope £1	75	......
Hughes (B) £1	150	......
Vulcanite	107	......

Graig Ship £1	280	......
Hal'm&l'gh 10p	19½	......
Hill (Chas) £1	133½	......
Kleen-e-ze	47½	......
Lovell'sShip£1	75	......
LyeTr'ding 10p	23½	......
[illegible]		

Benton W. 10p	3	......
Higsons Brew.	124	+4
Hindson Rd 20p	60xd	......
Holt, Joseph £1	500	......
Ingham (G) 10p	10⅝	......
I.O.M. Stm. £1	125	......
Ketton Cem. £1	405	......
[illegible]		

IRISH EXCHANGE

[illegible]

NORTHERN EXCHANGE

[illegible]

SCOTTISH EXCHANGE

[illegible]

MIDLANDS & WESTERN

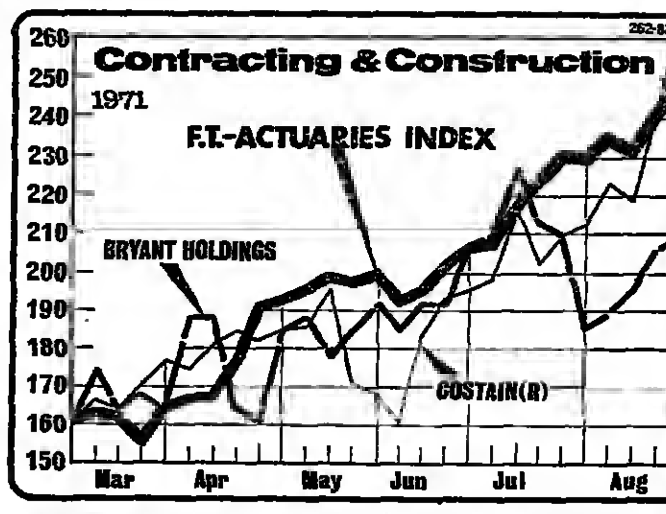
B'ham Post A	43	......	Brit. Nth'n (50p)	45	......	Craig & Rose £1	182	......
Castings 10p	30	......	Bury Ring (20p)	05¼	......	Dalm're White	321½	+½
Clough (A) 5p	18½	......	Clover Croft	26	......	Dykes	145	......
Dunn W.E. 10p	8	......	Cromer Ring £1	54	......	Galloway (J)	7½	......
Ecosa (10p)	29½	......	Dyson R.A. 'A'	40	......	Hill & Wylie	28	......
Evans Frdk 10p	35	......	Ellenroad	38	......	Lees (JJ) (10p)	20	+1
Evered	30	......	Eng. Natlnv. £1	48½	......	Mackinnon	70	......
Fordham Bd 6p	68	+1	Era Ring	18	......	Morrison & G.	11¼	......
Frost&Reed 50p	187½	......	Gandy	33	......	Richards (5p)	19	......
Gardiner £1	78	......	Gardner (L.)	163	......	Scotcros	37	+½
Gordon J. S.	18½	......	Gaunt (Rid)	22½	......	United Wire	55	......
			Braime (T & J)	40	......	Clyde Paper	7	......
			Bridgw'r Est 50p	180	+2½	Coltness Ind.	18	......

ACTIVE STOCKS

Prices in pence except where otherwise indicated.

Stock	Denomination	No. of marks	Closing price	Change on day	1971 high	1971 low
Slater Walker ...	25p	16	304	+2	306	192½
Delta Metal	25p	14	102	+6½	108	53
EMI	50p	13	151	+4	189	124
Imp. Chem. Inds.	£1	12	333	−2	335	230
Ultramar	25p	12	306	−4	310	166
Beecham	25p	11	345	−3	356	225
Brit. Petroleum ...	£1	11	602	+2	628	403
Limmer Hldgs. ...	25p	11	24½	+½	30	12½
Ralli International	10p	11	138	−3	144	83½
Brit.-Am. Tobacco	25p	10	343	−5	391	265
Glaxo	50p	10	428	−8	445	284
Hill Samuel	25p	10	145	+11	145	72
P. & O. Dsfd. ...	£1	10	165	−5½	206½	144½
Thorn Elect. "A"	25p	10	439	+9	441	256
Tube Investments	£1	10	450	−8	467	304

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1)(e) and reproduced to-day in Stock Exchange dealings.



The last time the F.T.-Actuaries share index for Contracting and Construction was reviewed (end-June) it was standing in 28th position in our Leaders and Laggards table with a rise since the start of the year of 14½ per cent. This compared with 24th position and a 17 per cent. rise by the Industrial Group. To-day the subsection has risen to 7th place with a rise of over 51 per cent. against 19th place and a 37½ per cent. gain in the "498." The reversal of fortunes reflects much better news recently from the building industry.

These charts show the pattern of an F.T.-Actuaries index and of prices of two constituents converted to index numbers at weekly intervals over about six months, starting from the same base.

SHARE INFORMATION SERVICE: NOTES

The following Notes relate to Share Information Service:—

Denominations are 25p unless otherwise indicated.

Yields allow for value of declared distributions and rights and are based on middle prices.

Estimated price-earnings ratios and "times covered" are based on corporation tax ...

[illegible]

dividend passed or deferred. c Canadian. F Figures based on prospectus or other official estimates for 1971-72. F Figures based on prospectus or other official estimates for 1970. G Assumed dividends and yield after pending scrip and/or rights issue. h Excluding refunds of U.S. Capital ...

[illegible]

F.T. SHARE INFORMATION SERVICE

BRITISH FUNDS

1971 High	Low	Stock	Closing Price £	+ or —	Gross Yield pc Interest £	Redemption £
"Shorts" (Lives up to Five Years)						
100¼	98	Conv. 6pc 1972	100	——	5.97	4.87
99	96⅛	Gas4pc 69-72	99	——	4.04	5.11
101	98	Exchequer 6½ pc.1972	101	——	6.18	5.01
102	98	Exchequer 6¾pc 1973	108	——	6.61	3.11
96	92⅝	Electric 3pc '68-73	96 xd	——	9.09	5.06
97	92⅝	Transport 3pc '68-73	97 xd	——	3.09	4.28
98	93⅞	Conv.5½pc 1974	98	——	6.35	6.94
102⅛	96	Treasury 6¾pc 1974	102	——	6.61	6.02
90	84	Saving 3pc '65-75	90	——	3.38	5.83
98	98	*Treas. 6% 1975*	98	——	6.07	6.38
99	95	Exch.6½pc 1976	99	——	6.53	5.63
100⅛	93½	Treasury 6½pc 1976	99	——	9.53	6.64
Five to Fifteen Years						
100	94¾	Victory 4pc 1976	99¾	——	4.01	4.11
99½	97¼	Funding 4pc '60-90	99½	——	4.12	6.12
88	90	Electric 3pc 1974-77	87⅞	——	6.41	5.57
89⅞	81	Transport 4pc '72-77	89⅞	——	4.61	6.12
92½	82⅜	Exchequer 5pc '76-78	91½ xd	——	5.46	9.48
86¼	76⅜	Electric 4½pc '74-79	86¼ xd	+⅛	4.92	8.43
83⅛	70¾	Do. 3½pc '76-79	93⅛	+⅛	4.27	6.35
92	69⅛	Treasury 3½pc '77-80	92	+⅛	4.51	6.33
81⅛	76⅞	Funding 5½pc '78-80	81⅛	+⅛	6.84	6.81
79⅝	67¾	Treasury 3½pc '79-81	79⅝	+⅛	4.41	6.44
106¼	92⅜	Do. 8½pc '80-82	106¼	+⅛	9.17	7.86
86	71	Funding 5½pc '82-84	96	+⅛	6.45	7.34
103¼	90¼	Treasury 8½pc '84-86	103¼	+¼	9.34	8.26
Over Fifteen Years						
97¾	76	Funding 6½pc '85-87	97¾	——	7.61	2.16
69	47⅝	Transport 3pc '78-88	69	——	5.13	7.34
72⅛	61¼	Treasury 5pc '86-89	70 xd	+⅛	7.09	8.15
—	—	*Treasury 8½pc 87-90*	96	——	8.59	9.99
75⅞	67⅛	Funding 6¾pc '87-91	74¾ xd	——	7.65	8.36
75¾	66⅜	Funding 6pc 1993	75 xd	——	7.99	9.62
103¾	85⅞	Treasury 9pc 1994	103½	—¼	8.94	8.93
61¼	41⅝	Gas 3pc '90-95	51¼	——	5.98	7.55
101	95	Treas. 9pc '92-6	100⅛ xd	—¼	8.96	9.97
43¾	41	Redp 3pc '86-96	42¾ xd	——	6.01	7.46
96⅝	90¼	Treasury 8½pc 1987	98¼	—¼	9.92	9.24
99⅝	94¼	Treas.8¾pc1997"A"	99⅛	—¼	8.95	9.97

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

PUBLIC BOARD AND OTHER LOANS

Corporation Short-dated Bonds

FOREIGN BONDS & RAILS

London U.S. Dollar and DM Issues

AMERICANS

CANADIANS

S.E. List Premium 24¼% (based on $2.4695 per £)

BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER & ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS, ETC.

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING AND METAL

ENGINEERING AND METAL—General—Cont'd

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

HOTELS AND CATERERS—Continued

INDUSTRIALS (Miscel.)

AUSTRALIANS (continued)

High	Low	Stock	Price	+ or −	Div.	Cvr.	Yield
440	7½	Leopold (50c)	8½	......	—	—	—
13	2	Magnum Ex.(P/Pd)	8	......	—	—	—
63		Mallina Mg. (50c)	22	−1	—	—	—
325	188	Metals Ex. (50c)	188	−19	—	—	—
86	27½	Metramar (20c)	27½	......	—	—	—
27½	10	Mid East Min P/Pd	10	......	—	—	—
8	5	Minefield Ex. (P'd)	6½	......	—	—	—
86¼	15	Mining Finance $1	18	......	—	—	—
205	135	M.I.M. Hlds. (50c)	139xd	−1	8c	ϕ	2.7
107½	56	Mt. Lyell (25c)	58	......	10c	ϕ	8.3
890	420	New Broken Hill	420	−10	‡60	—	‡
16⅛	8½	Newmetal (10c)	7	......	—	—	—
101¼	66	North B. Hill ($1)	68	−1	†7.5	1.5	5.1
72¾	25	North Kalg (30c)	23	−1	—	—	—
35	17	Nthn. Mng. (P/Pd)	17	......	—	—	—
2½	1	Olympus Pet (P/pd)	1½	......	—	—	—
140	47½	Pacific Cpr. (25c)	86	−2	—	—	—
73	21	Pancont'l 25c.	64	+1	—	—	—
18¼	5	Paringa M.& Ex. 5p	7	......	—	—	—
[illegible]	565	Peko-Wallsend(50c)	380	−15	15c	ϕ	1.9
£23	812½	Poseidon (20c)	£10	+½	—	—	—
£14	300	Queensland (50c)	[illegible]	......	—	—	—
21	6	Samander (25c)	6	−1	—	—	—
20	2½	Seemin (10c)	6	......	—	—	—
20	3½	Sedimentary Urbo	3½	......	—	—	—
6	1⅞	Target Pet. (P/Pd)	3	......	—	—	—
47	23	Vultan Min. (50c)	28	......	—	—	—
58	11	Westmex (10c)	11	......	—	—	—
247	165	W. Mining (50c)	143	−3	12	ϕ	1.8
560	41⅞	Whim Creek (20c)	422	......	—	—	—

RUBBERS—MALAYSIAN

1971 High	Low	Stock	Closing Price pence	+ or −	Div. % or amount	Times covered	Gross yield %
17½	13¾	Bekoh 10p	17½	......	15.6	5.2	7.8
18¼	15¼	BertamCon. 10p	16xd	......	22½	1.3	14.1
24½	15	Bradwall 10p	29	......	27½	1.2	13.7
10	8⅛	Bukit Mert. 10p	10	......	8½	1.5	8.3
20½	16¼	Castlefield 10p	17	......	127½	1.6	
37	24⅝	Chersonese 10p	33	......	36	1.4	10.6
18	12¾	Cons. Salak 10p	18½	......	20	ϕ	11.4
12¼	9¾	Craigielea 10p	10¾	......	11	1.4	10.6
84	81¼	Duff Devel.	84	......	25	—	1.5
18¼	14¾	East Asiatic 5p	18¼	......	40	ϕ	11.0
12½	10½	Gadek 10p	11	......	16	1.0	14.5
45½	32¾	Golden Hope 10p	42¼	+¾	†56	1.3	8.1
213	193⅜	Guthrie Corp. £1	207	......	16	1.2	7.7
40¼	25⅝	Highlands 10p	34	......	30	1.2	8.8
25½	17	Kuala Kepong 10p	23½	......	20	1.5	[illegible]
28	17½	Kulim 10p	24½	+½	21	1.7	8.5
48½	35	London Asiatic (10p)	46	......	40	1.4	9.5
20½	15½	Malakoff (10p)	12¼	......	10.4	2.1	5.4
23	16	Malaya Gen. (10p)	[illegible]	......	ϕ12½	1.3	5.4
19½	14½	Merlimau Peg. (10p)	18	......	17½	1.6	9.7
21½	18	Muar River (10p)	20¾	......	25	1.3	12.1
23¾	6½	PadangSenang(10p)	6¾	......	19	1.1	14.8
44	31½	Pataling (10p)	52¾	+¼	37½	1.4	6.4
28¾	17½	PlantationHgs.(10p)	24½	+½	20	1.3	8.5
63	29¾	Seafield Amal. (10p)	65	......	♦33	1.3	6.4
27	21	Sogomana (10p)	26½	......	35	1.1	13.2
18	12½	StraitsRubber(10p)	18	+¼	16	U1.4	8.3
385	305	Sungei Krian (£1)	566	......	35	1.6	8.6
16	11¼	Taiping (10p)	15	+1	‡89	1.2	‡
14	10½	Warren Hdg. (10p)	11¼xd	......	‡15	1.6	‡

RUBBERS—MISCELLANEOUS

High	Low	Stock	Price	+ or −	Div.	Cvr.	Yield
34	22	Anglo-Indon'sn(£1)	27½	......	—	—	—
4½	3¾	Ceylon Para. (10p)	4½	......	2½	3.3	5.8
3½	2¾	Grand Central (10p)	3	......	7	1.3	23.3
17½	13¾	Lon. Sumatra (10p)	16¾	......	14	1.7	8.4
14¼	12¼	Malayalam (10p)	14¼	......	22	0.5	16.0
8¼	6¼	Telogoredjo (£1)	8¼¢	......	—	—	—

SISAL

High	Low	Stock	Price	+ or −	Div.	Cvr.	Yield
6	2½	Bird & Co.	2½	......	—	—	—
25	15	Central Line (50p)	16	......	—	—	—
13¾	6	Dwa Plant. (10p)	11	......	B—	—	—

TEAS
India and Pakistan

High	Low	Stock	Price	+ or −	Div.	Cvr.	Yield
93	63	Amalgamated (£1)	93	......	7½	1.2	8.1
64	18	Assam & Africa(£1)	51xd	......	4	ϕ	12.8
17½	11	Assam Cons.	17	......	8	1.4	11.8
60	90	Assam Dooars (£1)	79	......	2	ϕ	2.5
63¾	45	Assam Frontier(£1)	66	......	2	0.6	14.3
78¾	61	British Indian(£1)	65	......	8	1.0	14.3
60	46	Chubwa (£1)	60	......	—	—	—
308	248	Cons.Tea&Land(£1)	297	+2	50	U1.1	10.1
75	67½	Darjeeling Co. (£1)	75	+2	10	ϕ	14.6
[illegible]	38	Deundi (£1)	45	......	7	3.2	15.6
4½	2	Dooars (10p)	2¼	......	B—	—	—
5	3⅝	Empirof India(10p)	4¼	......	B—	—	—
20	15	Est. & Agency	16	......	19	0.6	13.9
56	31¼	Jetinga Val. (50p)	56	......	7½	2.4	10.4
67½	37	Jokai (£1)	56	......	5	1.2	8.8
86	60	Jorehaut (£1)	71	......	♦5	U2.8	7.9
68	60	Kanan Devan (£1)	28	......	—	—	—
250	160	Longbourne (£1)	195	......	39	ϕ	15.4
112	56¼	McLeodRussel (£1)	112	......	8	2.7	7.1
60	61¼	Majuli (£1)	66xd	......	7½	ϕ	13.4
65	48	Makum (50p)	65	......	15	0.4	11.6
88	49	Moran (£1)	88	......	4	U1.4	4.6
22½	21	Nedeem (£1)	28	......	B—	—	—

TIN—EASTERN

High	Low	Stock	Price	+ or −	Div.	Cvr.	Yield
91¼	70	Ayer Hitam	81	......	‡s60	U1.5	‡
212	161¼	Berjuntai $M2.5	208	......	80.4	ϕ	13.1
170	125	Gopeng Cons.	170	......	72½	1.0	10.7
85	70	Hongkong	75	......	—	—	—
37	31⅞	Idris (10p)	35	......	31½	1.1	8.9
44	31	Kamunting 15p	39	......	68.5	1.0	22.4
100	83	Killinghall	100	+6	—	—	—
147	110	Malay Dredging	146	+1	†45	1.1	7.7
67	47	Pahang	55	......	‡23.3	1.2	‡
36	29	Pengkalen (10p)	35	......	87½	U1.1	25.0
58	43¾	Petaling ($M1)	58	......	8	—	[illegible]
[illegible]	62½	South Kinta (10p)	86	+2	93½	0.9	19.9
88	63¾	Sthn. Malayan	65	......	50	1.9	14.7
60	32	Sungei Besi (20p)	47	......	—	—	—
18	11⅞	Sungei Way ($M1)	13	......	19	1.5	9.1
28	23	Tanjong (15p)	28	......	†37½	0.8	20.1
38	33½	Tongkah Harb $M1	36	......	‡12½	0.3	‡
67	45	Tronoh	56	......	15	U1.4	6.7

TIN—NIGERIAN

High	Low	Stock	Price	+ or −	Div.	Cvr.	Yield
20	12¼	Amalgamated	16	......	8	—	7.8
17½	5½	Bx Lands (10p)	6½	......	—	—	—
6¼	4½	Gold & Base (12½p)	4½	......	—	—	—
6¼	5	Jantar (12½p)	6½	......	—	—	—

TIN—MISCELLANEOUS

High	Low	Stock	Price	+ or −	Div.	Cvr.	Yield
315	170	Beralt Tin	179	......	‡84	2.0	‡
6⅞	4½	Fabulosa (US$1)	4½¢	......	—	—	—
540	185	Geevor	186	−5	80	ϕ	8.4
128	101	London Tin (20p)	109	......	48½	1.1	7.8
69½	56	St. Piran	55	......	29	1.4	9.1

COPPER

High	Low	Stock	Price	+ or −	Div.	Cvr.	Yield
111	75	Esperanza (12½p)	83	......	40	1.9	6.0
13½	10	Indian (10p)	11	......	11.1	5.0	10.1
296	237½	Messina (Ro. 50)	255	......	‡90	2.0	‡

MISCELLANEOUS

High	Low	Stock	Price	+ or −	Div.	Cvr.	Yield
7½	5	Burma Mine (17½p)	6	−½	—	—	—
26	17½	Cent. Prov Mn 12½p	23½	......	‡19	ϕ	8.9
31	13½	Charterhall 5p	14½	−½	—	—	—
812½	270	Cons. Murch (10c)	275	−16	‡80c	2.1	‡
480	275½	U. P. Mg. Ind. Dh.	480	+1	7½	38.9	11.5
560	370	Northgate (C$1)	385	......	50c	2.2	5.4
270	210	R.T.Z.	215	−1	24	1.8	2.8
235	29⅝	Sabina Mines (C$1)	220¢	......	—	—	—

For Notes, see Stock Exchange Dealings.

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BRIMS
Building & Civil Engineering Contractors
NEWCASTLE UPON TYNE
TEESSIDE
NOTTINGHAM
SOUTHAMPTON
A member of the Swan Hunter Group

Lombard

Sacred cow of dollar supremacy

BY C. GORDON TETHER

THE U.S. is counting, Washington is constantly asserting, on the rest of the world collaborating with it in devising a satisfactory solution for the dollar crisis. It would have a much stronger case for doing so if the Nixon programme to restore the country's balance of payments to health had not shown such a clear determination to leave entirely untouched what may be fairly described as the sacred cow of dollar imperialism—the right of the American business system to devote thousands of millions of dollars each year to the acquisition of other countries' assets.

Mr. Nixon has justified the U.S. decision to default on its currency convertibility obligations on the grounds that the dollar, having been left vulnerable by the refusal of other countries to shoulder their proper share of the Free World's defence burdens, had suddenly become the target of an all-out speculative war. What he did not add was that this fate could never have befallen it if successive American Governments had not allowed the country to continue to make net investment abroad on a scale it was in no position to afford.

Conspicuous

The conspicuous absence of any reference to this fundamental aspect of the dollar's fall from grace is, of course, easily explained. The point is that there was no intention to do anything about it in the Administration's remedial measures—this even though it was considered quite appropriate to allow a further cut of 10 per cent. in American economic aid to the poor countries that is already running in proportionate terms far below those of other, much less-affluent, advanced countries.

The Nixon programme has been widely portrayed as representing a major switch in the direction of American international monetary policy. What has not been recognised is that the changes it effects are to a large extent being made to prevent the supremely important capital investment aspect of existing policy being undermined.

Pointer

Though steps were taken at one time to slow down the rapid growth of U.S. investment abroad, Washington has always stubbornly refused to consider a major cut-back into this field even though it has long been evident that this was urgently needed. For a time it was possible to prevent the resulting excessive flow of dollars into the outside world getting in the way of the investment programme by pressurising other countries to regard the dollar as informally inconvertible. When this stratagem would no longer work, the inconvertibility was given a formal character.

The very fact that the U.S. was prepared to go to these lengths, as well as to run the risk of precipitating a massive trade war with its import surcharge, to safeguard this feature of dollar imperialism shows how much importance Washington attaches to it. Which, in turn, helps to explain why it is displaying such a marked lack of enthusiasm for proposals for re-establishing international monetary order that would involve any kind of re-opening of the gold window.

To the fore

Clearly, given the present highly extended state of the American external position, such a settlement would run the risk of jeopardising the right the U.S. has now implicitly won for itself to continue a vigorous foreign investment policy without having to concern itself with the implications for international payments patterns.

Strange though it may seem, the part that America's determination to press on regardless with a foreign investment programme that is clearly beyond the country's present capacity has played in precipitating the international monetary upheaval appears to have attracted next to no attention in the crisis talks up till now. But if there is to be any serious attempt to achieve basic international monetary reform it will have to be brought right to the front of the stage.

It could well be argued that, measured on a gross national product basis, the proportion of the "White Man's" burdens the U.S. is shouldering is not all that excessive when spending on defence and aid to the Third World are taken together. If this is so, the Nixon Administration will hardly be able to justify asking other affluent countries to accept a sizeable part of its share of the combined charge so long as it is devoting much more than they are to such a "self-interest" activity as acquiring other countries' assets.

THE LEX COLUMN

Index fell 1.2 to 429.6

Tubes and the investment cycle

The trend line in steel tubes and aluminium was already pointing firmly downwards in the second half last year, and Tubes needed a very special performance by its consumer goods and lighter engineering operations to prevent an overall *slide this time. The pre-tax* drop from £12.63m. to £10.16m. after six months shows that this was hoping for too much. Although cycles and domestic appliances added over £1.5m. *between* them at the pre-Loan stock interest level, on the debit side was a £2.5m. drop in the steel tube division and a £1.35m. shortfall in aluminium.

Carried through for a full year, this performance could see earnings down from 33.3p to 27.5p a share, take the p/e up to 16.2 at 450p. Moreover, there are a number of reasons for thinking the outturn could be worse than this. The steel tube side depends, after all, more on an investment upturn than any consumer boom, making the short term prospects look dreary, something which also applies to machine tools although ex Froriep there has been a slight improvement. In aluminium, unless the world-wide recession proves short-lived, the timing of the Invergordon smelter—now being gradually transferred from capital to trading account—could prove awkward. Against that background the further potential on the consumer goods side looks inadequate, though at least the supply-demand situation in cycles is such that *Raleigh* need not fear the 10 per cent. U.S. surcharge.

Associated Dairies

Associated Dairies climbed another 20p to 312p on yesterday's 1970-71 results which, with profits of £2.88m. before tax, take in first- and second-half *rises of* 64 and 69 per cent. before retrospective milk credits. That still leaves the shares expecting explosive growth, with earnings up from 6.3p to 11.3p, and the p/e down to 27.4; but there are signs that the Asda supermarket operation should be able to provide it. The basis for last year's surge was a 50 per cent. rise in 1969-70 selling space. Last year, 1970-1971, Asda's selling space rose from around 650,000 square feet to 1m. square feet.

P and O

Instead of making 50 to 60 per cent. of last year's £12.6m. *pre-tax*, P and O is now looking for "rather less than 50 per cent" after a first half drop from £5.06m. to £1.44m. The historical profit split between the two halves would *in itself not* suggest more than £3m. in the second half; but we are talking of such slim margins on sales of over £200m. that, if the forecast would seem to imply a figure of nearer £4m. in the second, any conjecture that the nadir is past would have to be on other grounds.

The extent of this year's deterioration on the cargo and passenger line sides can be gauged from the fact that the group had the best part of a £40m. investment in supertankers operating for it in this half. The long term hull argument for Cunard is of course that its plan is to eliminate (or minimise) the cargo line problem rather than to wait for better times: and the next step, the sale of Union Steam—bringing cargo's share of non-passenger tonnage down from 36 to 30 per cent this year—should now be just a matter of time. But for the present a historic p/e of 8 (on historic capital) at 165½p, down 5½p, is a premature gamble

British Enkalon

On a sales increase of 59 per cent. to £12.5m. after six months, British Enkalon has produced a comparable profits rise of just 13 per cent. to £1.53m. pre-tax. The comparison, in fact, is misleading since it looks as though low margin merchanted goods may have accounted for over a third of the revenue jump. However, sales in the second half of 1970 were £10.1m. with a higher proportion of own-manufactured goods and that, taking into account subsequent volume increases of around a fifth, suggests that the downward pressure on prices since then has been considerable.

Nylon textile yarns, approaching a third of sales by volume, were an obvious weak *point*. More of a surprise is the apparent pressure on carpet yarns—roughly a quarter of output according to some estimates—and it seems that the competition here has hen hotter, notably from Monsanto. Prices are looking rather better now, and the warp knitting market is at last picking up from the bottom. Costs are still a problem with another wage award coming through, but the fan club is still goin gfor earnings of around 7.5p per share on average capital against 6.9p last time.

For 1972, the worry is tha impact of the U.S. import surcharge on the European polyester supply-demand equation at a time when the U.S. is already getting hig increases in its own jersey knitting and polyester yarn capacity. That apart, however, there seems to be increasing optimism about the longer-term pricing picture, and on top of this there is the scope for replacing the current above-average merchanting sales as new markets pass through the development phase. A *prospective* p/e of roughly 11¼ at 85p, then, still looks anomalous.

City Code

Since there are times when share prices may not be a fair reflection of supply and demand, obligatory underwriting can justly be seen as *an area for* a Code ruling. The choice of the conditions for obligatory underwriting—in bids where 15 per cent. of the paper being bid for has been acquired for cash within the previous 12 months—casts a suitably wide net. The most frequent "victims" will of course be those who would not normally underwrite anyway, which means the Grand Mets rather than the Cavenhams, for example. The happy people are the institutions, for in theory there would no longer be a case for sale in tha market—an exercise which embarrassed some in the recent brewery battle.

Takeover Code amendment on cash alternatives

BY KENNETH GOODING

A CHANGE in the City Takeover Code announced to-day is designed to stem the hectic buying of shares in the market which has in recent months become very much part of the tactics used in bid battles.

In future, if the company making a bid buys more than 15 *per cent.* of its "victim" during the course of the offer or up to one year before the bid is announced then it must make sure a cash alternative is available to accepting shareholders.

The amendment to the Code comes as a result of strong pressure from institutions like the pension funds and insurance companies which built up after the bid by Adepton for Williams Hudson.

During the course of that situation, Adepton, an investment concern controlled by Mr. David Rowland, bought 26 per cent. of the Hudson equity in the market and was willing to match the prices paid only with an offer of Loan stock.

But the Panel ruled that a cash alternative would have to be provided by Adepton and made it clear it felt the aggressive buying in the market over a relatively short period works against small shareholders who are not close to the market.

The institutions are understood to have pressed that if a bidder paid cash for any shares in the bid-for company at any time then a cash alternative should be insisted upon.

Battle

But the City Working Party—made up of various City interests—which has drafted the amendment—settled for a fairly low percentage and put the time limit at one year.

Ironically, while the discussions about the changes in the Code were going on, the battle for Truman Hanbury Buxton was raging. Under the new rule, rival bidders Grand Metropolitan Hotels and Watney Mann would both have had to provide a cash alternative to their offers and this certainly would have taken much of the steam out of the battle.

About the same time there was also aggressive market buying by Cavenham Foods which gave it control of Bovril in the face of an agreed Bovril-Rowntree Mackintosh deal. This caused the institutions to think hard even though Cavenham some way through the battle decided to underwrite its bid.

In drawing up the new rule, the Working Party has once again made sure that it is not inflexible and has given the City Panel, which has to administer the Code, room for manoeuvre.

So there will still be circumstances where the Panel might insist that a cash alternative be provided even if 15 per cent. of a bid-for company has not been involved or, on the other hand, it can give a bidder permission to pick up 15 per cent. without insisting that a cash alternative be provided.

Lynch backs tripartite talks if Ulster Catholics agree

BY DOMINICK J. COYLE

DUBLIN, Sept. 8.

MR. JACK LYNCH, the Irish Prime Minister, is now prepared to join in tripartite talks with Mr. Heath and Mr. Faulkner, the Stormont Premier, subject to agreement on an agenda and the approval of the two main Opposition parties in Northern Ireland.

This became clear here late to-night following a statement by Mr. Lynch which sought to clear up an obvious misunderstanding between himself and Mr. Heath at Chequers as to whether the British Prime Minister had, in fact, proposed such tripartite discussions on the North.

"If, as it now appears," said Mr. Lynch, "it was Mr. Heath's intention to suggest a tripartite meeting, I am prepared to consider his offer seriously because of the continuing grave situation in the North and because efforts need to be made to obtain progress through political means."

The Irish Government's view, I understand, is that Anglo-Irish relations regarding Northern Ireland have now got into the area of diplomatic semantics. Mr. Heath insists that an Irish Prime Minister can have no direct involvement in discussions concerning internal developments in the North, yet Mr. Heath is, it seems here, issuing a direct invitation to Mr. Lynch to participate in just such talks.

Mr. Lynch, however, still persists in his belief that a really serious attempt to find a political compromise in Northern Ireland demands the participation in any London-Dublin-Belfast talks of representatives of the Northern minority. It is, according to the Dublin view, the Roman Catholic minority which has opted out of the Stormont system, and, it is argued, they surely deserve a place at any negotiating table.

Mr. Lynch intends to have an early meeting with the elected representatives of the Northern minority, and he is expected to tell them that Mr. Heath's proposal for tripartite talks is worth a try, even if the Dublin Government itself is far from optimistic that a "confrontation with a Tory-Unionist alliance" can produce anything of real substance towards a political solution of the present crisis.

However, some senior officials here now believe that Mr. Heath may very well have deliberately "concealed his hand" at Chequers, mainly so as not to undermine publicly Mr. Faulkner in Belfast, and, in fact, that the British Government may now be much more flexible over Northern Ireland than at any time since the Conservatives came to power.

Mr. Lynch's statement came before Mr. Harold Wilson's *speech to-night. His proposal for* the setting up of a Parliamentary commission, which had been mentioned privately by the Opposition Leader when he met the Irish Prime Minister in London last night, is not wholly in line with the thinking of the Government here, but Mr. Lynch and his colleagues place considerable store on the fact that the Labour Opposition at Westminster is now prepared to presurise the Heath Government towards seeking a political solution in Northern Ireland free from either doctrinal or constitutional principles.

There is certainly complete agreement among all political parties here with Mr. Wilson's assertion that the introduction of internment in Northern Ireland came about in an "arbitrary."

Faulkner appeals to opposition to end peace talks boycott

BY OUR OWN CORRESPONDENT

BELFAST, Sept. 8.

AS THE EVIDENCE mounted to-day that the public representatives of the Roman Catholic minority in Northern Ireland intended to boycott the peace talks being initiated by Mr. Maudling, the Home Secretary, a new appeal for co-operation came from Mr. Faulkner, the *Ulster Premier.*

In a statement he said that the vast majority of the population wanted to see their elected representatives engaged in constructive discussions rather than adopting negative and entrenched positions.

'Snap verdict'

He regretted that the main Opposition group, the Social Democratic Labour Party, had turned down Mr. Maudling's proposal on "a snap judgment without pausing to reflect on their responsibilities not only to their own constituents but the people of Northern Ireland."

Mr. Faulkner added: "I believe that a wide range of opinion throughout the community, appreciating how much is at risk, will wish to see their representatives come to the table with an open-minded determination to listen to the views of others.

"It is my hope that those who rushed into a snap judgment will pause and think again, and that even if they insist on remaining in entrenched positions there will be found others ready and willing to speak for that great number of people who do not want to issue ultimata to their neighbours, but to find means of living permanently at peace with them."

But the SDLP made it clear that however snap their judgment, it was one which for the time being at least they intended to maintain.

In this they were supported to-day by the Nationalist Party, the other main political group representing Roman Catholics.

Both insist that they will refuse to take part in any discussions until interment is ended, and unless the Dublin Government is a party to the talks.

Certainly it became increasingly clear to-day that the Opposition's determination is unlikely to be shaken without some second look by the Government at the internment policy.

Much speculation was touched off by Mr. Faulkner's implied suggestion that if the Opposition MPs did not show some willingness to compromise in their demands, other leaders of the Roman Catholic community would emerge.

It was noted that the most trenchant denunciation of the Opposition's rejection of the peace talks plan came from a Roman Catholic solicitor, Mr. Oliver Napier, who is vice-chairman of the interdenominational Alliance Party. But he too is critical of internment.

Mr. Napier said in a statement that the SDLP by attempting to sabotage Mr. Maudling's initiative was steering the community towards civil war.

Security alert

"I deplore your attitude," he told SDLP MPs: "We are on the verge of the most appalling bloodshed and yet you are not prepared to get around a table and discuss issues which are not only politically vital, but on which many lives may depend."

While the political debate in the wake of the Chequers talks was the main focus of attention to-day, troops and police were on a full-scale security alert to-night.

The IRA has threatened that if its demands are not met by midnight its bombing operations will be resumed on "an *intensified* scale."

Two Lines directors resign

By Nicholas Leslie

TWO non-executive directors of Lines Bros. have resigned from the Board following the deferment for 21 days by shareholders of a move to put the parent *company into voluntary liquidation.* However Mr. John Darby, having taken legal advice, has decided to remain as chairman. In the meantime the Stock Exchange *yesterday suspended* dealings and quotation of Lines' Ordinary and Preference shares and its unsecured loan stocks.

Fresh attempts were being made yesterday to save the loss-making Meccano and Tri-ang toy group. Mr. Darby said he now knew the names of the two companies referred to by Mr. Graeme Lines on Tuesday as being interested in making a rescue bid, and Dunbee-Combex-Marx disclosed that it was planning to reopen negotiations.

Mr. Darby said he was remaining as chairman because "I decided my duty lies in continuing as chairman in the best interests of shareholders, creditors and employees."

He disclosed that the two companies named by Mr. Lines had to be taken seriously because they had the resources to mount a bid. While they had not indicated they were likely to do so "we are pushing them to make up their minds," he added.

Mr. Darby said of the reported offer of a further $3m. by Mr. Louis Marx, the U.S. toymaker who owns some 20 per cent. of DCM, on top of DCM's proposed £3m. injection into Lines, that the total still would not be enough.

He felt the current position for Lines was mildly encouraging, but "I can't say we have got much further forward until we have got a realistic bid in front of us."

The two director who have resigned are Mr. David Nicholson and Mr. David Donne, both of whom felt that as they had no special tasks in the present situation they should step down.

Machine tools' plight continues

BY MICHAEL CASSELL

NEW ORDERS obtained by U.K. machine tool manufacturers were 42 per cent. lower by value in the second quarter of this year compared with the same period of 1970. They were worth only £34.36m. against £59.04m. between April and June last year.

The latest figures from the Machine Tool Trades Association underline the continuing plight of the manufacturers who see little prospect of any major trading improvement until industry steps up its investment programme.

Improved

According to the MTTA, home orders during the three months slumped by 48 per cent. and were valued at only £17.36m., a dorp of just over £16m. on the figure for the second quarter of 1970. In June alone, however, the home order situation improved considerably with new business worth £6.19m. being placed compared with £4.97m. in May.

New export orders between April and the end of June were worth £17m. compared with £25.35m. *at the same time last* year, a fall of 33 per cent. The overseas order situation in June deteriorated further with new business valued at £5.74m. against £6.54m. in the previous month.

The delivery situation during the second quarter was not quite so depressing. Overall deliveries were down by 6 per cent. although the home market suffered a 23 per cent. drop when compared with the same period of last year.

Customers in the U.K. took machine tools valued at £24.06m. a drop of over £7m. on the second quarter of 1970. In June home customers took delivery of machine-tool equipment worth £7.41m., a fall of £580,000 on the month before.

Deliveries to overseas markets in the second quarter of this year were worth £21.53m., an increase of £4.5m. or 27 per cent. on the same three months last year. Foreign customers received machinery valued at £8.23m. in June, an increase of £2.19m. on *May's figure.*

The MTTA says that outstanding orders at the end of June were valued at £121.05m., a fall of £3.7m. on the previous month and of £11m. on the *figure* for the end of the first quarter.

Mr. Howard Barratt, general manager of the MTTA, said last night that the industry's monthly export output for the first half of this year was being maintained at just under £6m., only a little below the average for 1970 which, he claimed, represented a "considerable achievement" in world markets which continued to be extremely difficult.

Concern

Mr. Barratt referred to President Nixon's recent import impositions, which, he said, would see the end of the U.S. as the third largest export market for U.K. machine tool manufacturers. He stressed that the industry was particularly *concerned* at the discriminatory nature of the provisions attaching to the granting of tax credits.

In the first half of 1971, tha level of total net new orders received by the U.K. industry was 34 per cent. below that for the same period last year, valued at £111.51m. There was little change in the total deliveries, which were worth £98.78m., a fall of 2 per cent. from the level recorded in the first six months of 1970.

BR still to decide on signing CBI 'pledge'

BY COLIN JONES

BRITISH RAIL has yet to decide whether to sign the CBI undertaking on prices restraint. Reports that the Government had now agreed to write off any deficit incurred by the BR Board as a result of pegging increases in rail passenger fares and freight charges to an average 5 per cent. were firmly denied by both the Board and the Department of the Environment last night.

The BR Board has been refusing to go along with the CBI proposal for a "prices freeze" until it had *secured special* financial provisions from the Government which would, in its view, make acceptance of the CBI move possible.

This is because *pegging* fares increases to 5 per cent. would cost up to an estimated £50m. a year and turn a threadbare profit into a certain loss.

This prospect is feared by BR chiefs both because of its consequences for the industry's morale and because, in their view, BR is under a statutory duty to avoid loss-making.

Negotiations between the Board and the Government are understood to be still at an early stage. Ministers have requested a detailed estimate of the cost of a prices freeze, allowing for the effects of the Chancellor's recent reflationary measures, and the Board's submission is about to be discussed at official level.

Under present legislation, the Government has no power to sanction a deficit *write-off* or to make deficit grants. But powers exist whereby any loss incurred on BR's grant-aided passenger services, which include the London area commuter services, can be met by Exchequer grant.

The Government had intended axing the last £5m. annual grant for the London area commuter services next year as part of its aim of making these services fully viable by 1973. Whatever happens, it would seem that this target will now have to be postponed.

BR's main concern, however, is with the implications of a prices freeze for the major part of the rail system which has commercial potential—such as the Inter-City passenger trains and freight services.

Continued from Page 1

Credit policy changes

the expected operation to fund the excess liquidity held by the clearing banks. Many banks are expected to be given an interim period to meet the new reserve requirements, including, for example, the foreign banks in London. But the clearing banks are thought to be well in excess of the 12½ per cent. reserve ratio, possibly at about 18 per cent. on the new *definition* of reserve assets.

While demand for bank lending has been depressed recently, the authorities are expected to insure against a sudden upsurge by taking action to neutralise at least part of this liquidity and to consolidate the present *special* deposits of some £400m. This, it is thought, will take the form of an issue of Government stock, to the tune of perhaps £700-£800m.

Other issues of detail which have come up for discussion have probably included the exact definition of the eligible reserve assets under the new system and, specifically, the Bank of England's plan to exclude cash in bank tills.

In most aspects, the new system is expected to follow closely the proposals set out in May.

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Weather

U.K. TODAY

Pressure will remain high the E. of Britain and low tha W.

It will continue dry in areas with sunny spells although some W. parts will be rather cloudy at times. It will again be warm or very warm generally.

London, Cent. S. and Cent. Eng., Midlands

Dry, sunny. Wind S.E. moderate, locally fresh. Max. 24C (75F).

S.E., E. and N.E. Eng., E. Anglia

Dry, sunny. Wind S.E. moderate, locally fresh. Max. 21C (70F), cooler on coast.

Channel Is., S.W. Eng., S. Wales

Dry, sunny spells, rather cloudy at times. Wind S.E. moderate, locally fresh. Max. 2[illegible] (79F).

N. Wales, N.W. Eng., Lakes, Borders, E. and S.W. Scotland, Glasgow, Cent. Highlands, Dundee

Dry, sunny. Wind S.E. moderate or fresh. Max. 23C (73F).

I. of Man, Argyll, N.W. Scotland, N. Ireland

Dry, sunny spells, rather cloudy at times. Wind S.E. moderate, fresh. Max. 18C (64F).

Edinburgh

Dry, sunny spells, mist patches early. Wind S.E. moderate, fresh. Max. 16C (61F).

Caithness, Orkney, Shetland

Dry, sunny. Wind S.E. moderate or fresh. Max. 18C ([illegible]).

Outlook: Dry, warm and sunny in most areas, but perhaps *showers* in the W. later.

BUSINESS CENTRES

		Y'day Mid-day °C	°F			°C	°F
Amstrdm.	S	22	72	Madrid	S	[illegible]	
Bahrain	S	35	95	Manchstr.	S	[illegible]	
Beirut	S	29	84	Melbourne	C	15	
Belfast	F	19	66	Milan	S	[illegible]	
Belgrade	C	14	57	Montreal	[illegible]	[illegible]	
Berlin	F	18	64	Moscow	R	[illegible]	
Birmghm.	S	22	72	Munich	S	16	
Bristol	S	23	73	Newcastle	S	[illegible]	
Brussels	S	22	72	New York	C	[illegible]	
Budapest	F	14	57	Oslo	S	16	
B. Aires	C	17	63	Paris	S	24	
Cairo	S	30	86	Prague	F	[illegible]	
Cardiff	S	20	68	Reykjavik	C	[illegible]	
Cologne	S	20	68	Rio-de-J'o	R	[illegible]	
Copnhagn.	S	19	66	Rome	F	24	
Dublin	S	17	63	Singapore	C	30	
Edinb'rgh	S	20	68	Stockholm	C	[illegible]	
Frankfurt	S	21	70	Strasbourg	S	22	
Geneva	S	19	66	Sydney	C	[illegible]	
Glasgow	S	21	70	Tehran	S	[illegible]	
Helsinki	F	14	57	Tel Aviv	S	28	
H. Kong	C	28	82	Tokyo	C	[illegible]	
Jo'burg	R	16	61	Toronto	C	12	
Lisbon	S	24	75	Vienna	F	16	
London	S	22	72	Zurich	S	[illegible]	
Luxembrg.	S	21	70				

HOLIDAY RESORTS

		Y'day Mid-day °C	°F			°C	°F
Ajaccio	S	26	79	Istanbul	F	[illegible]	
Algiers	S	27	81	Jersey	S	[illegible]	
Athens	S	22	72	Las Plms.	F	[illegible]	
Barcelona	S	25	77	Locarno	S	21	
Bergen	S	17	63	Majorca	S	[illegible]	
Biarritz	F	29	84	Malaga	F	[illegible]	
Blackpool	S	23	73	Malta	F	[illegible]	
Bordeaux	S	26	79	Nairobi	S	[illegible]	
Boulogne	S	21	70	Naples	F	[illegible]	
Casablnca.	F	24	75	Nice	C	[illegible]	
Cape Tn.	C	13	55	Nicosia	S	[illegible]	
Corfu	F	22	72	Oporto	C	[illegible]	
Faro	F	23	73	Rhodes	S	[illegible]	
Florence	S	26	79	Salzburg	F	[illegible]	
Funchal	S	23	73	St. Moritz	[illegible]	[illegible]	
Gibraltar	C	25	77	Tangier	C	[illegible]	
Guernsey	S	22	72	Tenerife	F	[illegible]	
Innsbruck	F	18	64	Tunis	S	[illegible]	
Inverness	F	22	72	Valencia	C	[illegible]	
I. of Man	S	17	63	Venice	F	[illegible]	

S—Sunny. F—Fair. C—Cloudy. R—[illegible]

EXEMPTIONS FROM BUILDING TRAINING LEVY

Concerns with payrolls of [illegible] than £6,000 will be exempt from levy and will not get grants for the training year 1971-72, the Construction Industry Training Board has announced.

Such concerns, however, still be eligible for grants for approved training undertaken in the 1970-71 training year.

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هكذا من الأصل